

Economic Issues Summary of Trends and Findings

Trend 1: The jobs that are open require different skills sets than the skills unemployed workers have, resulting in structural unemployment that has led to a “jobless recovery” from the recession and that may cause a semi-permanent increase in the level of base unemployment.

- Unemployment in California and in the San Diego region has increased in the recession.
 - The unemployment rate in California ranked second-worst among States in the quarter ending March, 2011, ranging between 9% and 10%. Males are more likely to be unemployed than are females, and teens (ages 16-19) have a much higher unemployment rate, around 25% (Phillips 2011). The unprecedented numbers of applications for benefits has caused the California unemployment insurance system to become insolvent and on the verge of default. The State must pay back program loans by November of 2011 or risk triggering an automatic tax increase in 2012. California also risks losing federal stimulus funds if it fails to upgrade its calculating formula for benefits prior to September 2012 (Lifsher 2011).
 - In December 2009, unemployment in the San Diego region was about 9.4%, compared to 9.7% in the State as a whole.
 - Regional unemployment was highest in agriculture (29.4%), construction (18.3%), information (14.2%), manufacturing (13.1%), administrative and waste services (13.2%), educational services (12.5%), and retail trade (12.4%).
 - Unemployment was much lower in real estate and rental/leasing (2.4%), professional and technical services (2.7%), wholesale trade (5.4%), healthcare and social assistance (5.5%), and transportation and warehousing (6.8%) (Economic Modeling Specialists, 2010).
- There are jobs available in some sectors of the economy. These include:
 - Information technology. The Computing job market will continue to grow strongly through 2018. Demand will surpass the supply of qualified applicants in the U.S., whereas in China supply outstrips demand. A shortage of qualified teachers has developed, including in India. Emerging problems that are arising from outsourcing are driving a return of some jobs to the United States (Hoffman 2010). More companies are hiring IT professionals, especially Project Management Professionals, Systems Engineers, Security Professionals and Technical Analysts, as the computer industry moves toward Cloud computing (Bureau of National Affairs 2010).
 - Health care. Between 2008 and 2018 growth is expected in health care. Demand will be high for registered nurses (Leighton 2010). States face increasing demand for eldercare,

including infrastructure and delivery systems; 1.1 million new direct-care workers will be needed between 2008 and 2018. The Affordable Care Act (“ACA”) brings eldercare workforce policy innovations, such as programs supporting development of workers, training, and social insurance supporting elders and their families, but wages remain low (Dawson et al 2010)

- Automotive technology. Demand is projected to increase for highly skilled, entry-level certificated auto technicians (Dickson 2010).
- Green jobs. Interest increases in clean energy, green common areas, infrastructure and the “organic” built environment, such as “green roofs” and building materials, and urban horticulture. The mantra is “jobs.” From 1998 to 2007 clean energy jobs grew at 9.1%, 2.5 times as fast as jobs overall. The US needs to move quickly in this direction to compete; 70-75% of the world’s solar and wind energy jobs are in manufacturing, but most solar panels and wind turbines are made outside the U.S. (Krause, Lowitt & Peck 2010). Expect growth in “green” jobs. Best among these will include conservation biologist, recycler, urban planner, and energy-efficient builder (Leighton 2010).
- Many people looking for jobs lack the skills that the open jobs require – a condition known as structural unemployment. This condition may cause the unemployment rate to remain at 7% or more for years (The Economist, 2011). The weak housing market is making things worse; people who owe more on their mortgage than their house is worth often find it impossible to relocate for a job. The average person has been looking for a job for more than nine months, an all-time high (NBR, 2011).
- The higher one’s education level, the lower one’s probability of unemployment (CPEC 2011).

Trend 2: The jobs that pay the best wages generally require technical skills and training; wages for individuals with only a high school diploma are stagnating.

- As the U.S. economy shifts away from manufacturing to become primarily service-producing, the wealthiest 10% of the population are getting wealthier, while middle-class wages are stagnating. Declines in labor unions coupled with worldwide labor competition contribute to the depressed wages of the middle class, particularly those with just a high school diploma (Censky 2011).
- Although women are expected to make up 47% of the work force by 2016, they are over-represented in low-paying, traditional occupations and underrepresented in leadership positions (Leighton 2010).
- In 2010, salaries increased in finance and accounting, but decreased in marketing, business administration, management and liberal arts (Bureau of National Affairs, 2010). The highest pay was in the sciences (chemical engineering was highest, around \$66,000); business administration paid mid-level wages (around \$42,000), and liberal arts was lowest, around \$34,000.

- The 20 highest-paying jobs in California requiring a Bachelor’s Degree are in the areas of education, finance, management, computers and recreation. The 20 highest-paying jobs in California requiring an Associate Degree include medical jobs such as Nurse, Dental Hygienist, Respiratory Therapist, Physical Therapy Assistant, and “techs” in Radiology, Veterinary Lab, Medical Records, Health Information, Biology and Chemistry. Other top 20 jobs requiring an Associate degree were in Electronics, Semiconductor Processing, Engineering Tech, Life, Physical and Social Science Tech, Computer Support/Specialist, and Paralegal.

Trend 3: There is increasing demand for post-secondary educational institutions to provide skills training and preparation for targeted occupations. Many students, however, must go deeply into debt to pay for postsecondary education.

- U. S. manufacturers are finding it difficult to hire workers educated, trained and qualified to do the work in demand – much of which requires math, science and technical skills. A bias toward college preparation causes high schools to push students toward academic college-oriented career paths and away from vocational courses. To help meet their workforce needs as their current workforce ages (the median age of skilled manufacturing employees is 55, meaning they are approaching retirement), companies are partnering with community colleges to certify manufacturing programs, and offer scholarships, internships, and job experience (Hagerty 2011).
- Costs increasingly impact college choice. More students (particularly lower income and minority students) are turning to public institutions (particularly community colleges) because of lower tuition costs. For-profit colleges are showing increases in minority enrollment due to affordability, open admissions policies and assistance with finding student federal loans (Stern 2011).

Trend 4: There is an increasing focus on Green Jobs

- The federal Bureau of Labor Statistics and many state labor departments are undertaking studies of the labor market in green jobs and sustainable industries. The Workforce Information Council (2009) proposed the following working definition of a green job: “A green job is one in which the work is essential to products or services that improve energy efficiency, expand the use of renewable energy, or support environmental sustainability.”
- The California Employment Development Department estimated that there were more than 37,700 green jobs in the San Diego region in 2009, and another 178,000 in the rest of Southern California (Centers for Economic Excellence, 2010). Green jobs accounted for about 2.7% of the over 1,404,500 jobs in San Diego County in 2009 (California Employment Development Department, 2011).
- California community colleges will be essential to prepare students for green jobs. There are six green industry sectors, including energy, building, fuels, transportation, water, and environmental compliance. There are three scenarios under which community colleges can

help students develop or enhance their Green skills: (1) In existing jobs (teach gardeners about drought resistant plants); (2) To make workers more marketable (teach plumbers about solar water heaters); (3) To “allow transition to new jobs with new titles (teach welders to become geothermal technicians). Community colleges need to adapt, provide or develop programs to meet those needs (Center for Excellence 2009).

Potential Impacts

- The recession is forcing community colleges to serve growing numbers of job seekers in the face of declining resources.
- The recession continues to force community colleges to focus on matching curriculum with workplace job demand and teaching skills directly transferable into the jobs most recently demanded by the workplace. Traditional liberal and fine arts offerings may weaken as emphasis shifts from being “well-educated” to being “well-employed.” Demand will grow for career counseling, internships and articulation programs in partnership with industry.
- As middle-class incomes stagnate or weaken and affordability increasingly drives student choices, community colleges will become more important avenues up the educational ladder for Latinos and other lower-income groups. Pressure will rise on community colleges to secure the resources necessary to serve these growing student populations. Industry, rather than government, may provide some such support as it increasingly seeks to influence the quality of employee candidates.
- The new national focus on “Green” jobs will propel Community Colleges toward adapting curriculum and faculty to meet new Green job demand in sectors such as energy, building, fuels, transportation, water, and environmental compliance.
- As the Baby Boomers age, healthcare and elder care industries will demand more community college graduates in healthcare specialties, especially in nursing, support positions and information technology for healthcare. A commensurate emphasis on science and math will persist.
- The challenge to find, continually educate and retain information technology teachers will grow as social demand for IT continues to burgeon. Industry certification demands will increasingly influence curriculum structure. International competition, notably from China and India, will drive competitiveness.