

**LMI Advisory Group  
Thursday January 28, 2010  
Meeting Minutes**

**Attendees**

Arcangle, Lynne	Cosumnes River College
Blake, Dan	California State University, Northridge
Cooper, Peter	CA Labor Federation
Garcia, Socorro	Workforce Services Branch
Holloway, Tammie	Napa County Office of Education
Kelly, Neil	California Department of Education
Lovell, Vicky	California Budget Project
Maglinte, Janet	California Labor & Workforce Agency
Magyar, Michelle	California Department of Education
McAloon, Jill	Employment & Training Panel
Merris-Coots, John	California Department of Education
Nkwocha, Onyema	Workforce Services Branch
Odom, Bev	California Workforce Investment Board
Rancadore, Jason	California Business Investment Board
Reid, Dennis	California Department of Labor
Sala, Brian	California Research Bureau
Singh, Delva	California Workforce Investment Board
Suplita, Michael	California State University, Chico
Wible, Julie	California Department of Education

**LMID Staff:**

Graybill, Bonnie  
Lichnock, Eileen  
Judi McClellan  
Ramos, Phillip  
Solorio, Cynthia  
Styron, Fran

**Welcome**

Steve Saxton not present; at a Deputy Director-scheduled management meeting. Attendees introduced themselves. Bonnie Graybill announced plans to retire in a year. She plans on transitioning her facilitator duties to Judi McClellan and Cynthia Solorio as Co-Facilitators and introduced them to the group.

**Review of October 22, 2009 Minutes**

Minutes were reviewed by members and approved with no comments.

**Green Survey Update**-Lai Wong, Fran Styron, Esther Ruiz  
(PowerPoint Presentation, **Green Economy Survey**)

There has been no additional data analysis since the 10/22/2009 Advisory group meeting. LMID will prepare final analysis after data collection complete.

### **Sample Selection**

- Random Sample of 51,130 firms (selected from the Quarterly Census of Employment and Wages (QCEW), from 08/1 quarter)
- Sample criteria=size of business, MSA, NAICS (2 digit NAICS code used; for those related to green economy, 3-digit NAICS code used)
- Size Classes: 1-19, 20-99, 100-249, 250+

### **Sample**

- We have found that 5,538 employers have gone out of business since the sample was drawn.
- Sample reduced to 45,592

### **Mailings**

- First mailing in May 2009
- Surveys sent to employers twice in three months
- Telephone follow up with non-respondents
- “Last chance” letter sent in November (really good response)

### **Response**

- Final acceptance date January 14, 2010
- Total of 15,455 Survey Responses
- Response Rate: 35%
- Break out of data collection method
  - 41percentage by mail, fax or e-mail
  - 36percentage online
  - 23percentage phone

### **Response by Industries**

(Bar Graph showed percentage of total responses by industry)

Professional, Scientific, and Technical Services had largest percentage response. Attendees wondered whether there was a possible green bias (strong response by establishments practicing green) and possible out-of-business bias; also suggested second bar for size by industry.

### **Geographic Areas**

(Table that showed the count of responses by county)

Los Angeles County had largest count of responses.

Attendees suggested further look into industries and size of firms by county (Note: this is planned as LMID completes our analysis and prepares a series of reports on the findings of our green survey, including industry and geographic focus to the extent that the data support.)

### **Next Steps**

- Data Refinement (careful review of data, including sample weighting)
  - Some firms moved to different MSA
  - Some industry code change
  - Employer sample size or class differs from initial sample
- Reweight all 5,848 cells to reflect the changes
- Compute estimates of employment by industry and MSA
- Determine any non-response bias by computing non-response factors
- Analyze data and draft the report(s)

### **Comments**

- Sampled across economy for both business and practices, including green employers and businesses and their green practices
- Survey asked about employment in 34 Occupations, changing/emerging to green: In some cases, same skills, different tasks
- 5.2 Million employers covered by Survey sample
- Peter asked how can report can be used to support policy development; Bonnie replied draft of report will be done after data clean-up and revisions. To the extent that findings support policy development, that would be a valuable use.

**Stimulus Update**-Bonnie Graybill (Thanks to Workforce Services Branch, California Workforce Investment Board and Labor and Workforce Development Agency for copies of their presentations and talking points that were incorporated into this presentation!)  
(PowerPoint Presentation)

### **ARRA Funding in California**

Everything you want to know can be found at: <http://recovery.ca.gov>  
Stimulus Map showing money and contracts by area and CA Recovery Act Funds Available.

**ARRA Formula Funds Rushed to Local Areas:** \$415 M in federal ARRA stimulus quickly dispersed to 49 Locations.

### **More than \$4 billion in ARRA UI Benefits**

As of 11/13/2009, \$4 billion through three ARRA funded Unemployment Insurance Programs for Emergency Unemployment Compensation, Federal Additional Unemployment Compensation (FAC) and FED ED

### **Creation of Nation's Largest State-Sponsored Green Jobs Training Program**

Clean Energy Workforce Training Program (CEWTP), \$75 million investment Leverages ARRA funds, Public-Private Partnerships

### **Governor Creates Green Job Corps Program**

Governor awarded \$10 M to launch 11 Regional CA Green Job Corps pilot

**Department of Housing and Community Development (HCD)-ARRA** will provide \$12.1 billion nationwide for housing related programs. California will receive \$1.09 billion for Community Development Block Grant and HCD will administer \$55 million.

### **Work Experience and Work Readiness Training**

ARRA WIA Youth Funds placed over 40,000 young people in summer jobs

**HUD Funding Allocations:** Total HUD Recovery Act Funds Available (\$14 billion)

**DOT:** There was \$2 billion to fund 620 projects statewide.

**Workforce Investment ARRA Funding Received:** \$500 million in funds went to Local Workforce Investment Areas

### **Funded ARRA Initiatives:**

- [Workforce Investment Act](#), “15 percent” funds used to leverage ARRA funds.
- The Green Job Corp received \$10 million
- Construction Talent Transfer redirects construction workers to growth industries
- Clean Energy Workforce Training Partnership (CEWTP)-\$27 million

### **Green Building CEWTP**

Pre-Apprenticeship Training

### **Graphics from California Workforce Investment Board**

**California’s Green Workforce Initiative** is to development training-CEWTP. By creating Partnerships-DOL State energy Sector Partnership Grant, developing Regional Capacity-Regional Industry Clusters of Opportunity Grants and Energy Efficiency and Weatherization programs.

Energy Training Partnerships Grant

**Pathways Out of Poverty Grant** supports programs that help disadvantaged populations through employment in energy efficient and renewable energy industries. There are \$150 million ARRA funds and a list of WIA grantees from WSD are available online.

### **Comments**

Attendees asked about actual number of jobs created/saved, Bonnie stated she had not received that information. Attendees asked about stimulus’ impact on education and training? Discouraged Workers? Discussed disconnect State vs. Federal Funding; for example, Community Colleges are facing cut in State funding so Stimulus funds are being used to compensate for lack of State funding. Youth

Funding Allocations were doubled this year. Greater flexibility to use ARRA funds; but also accountability requirements.

Attendee asked how LMID is assisting local economic development agencies; Bonnie replied that LMID's Labor Market Consultants (LMC) work with Local Economic Developers, among other customers. We are increasing the number of LMC's with ARRA funds, and looking at tools to help support local economic development agencies.

Department of Education (DOE) commented on LMID's assistance with economic development by highlighting a project matching projections (from LMID) to enrollment for coursework; i.e. matching the estimated number of job openings from projections with the number of student enrollment in adult education job training programs currently. DOE will recommend to teachers/instructors that they increase enrollment when projections indicate increasing demand for certain occupations. Also, recommended that data/projections be made more available to teachers.

**California Career Resource Network (CalCRN) Update**-John Merris-Coots, Career Resource Network (Slideshow Presentation)

John began by giving background information explaining the recent history of the CalCRN program and followed with a slide presentation on progress and products detailed below:

**CalCRN Resources**

- California Careers Info
- California Career Zone
- California Reality Check
- California Career Planning Guide
- The Real Game CA™ (TRGC)

**Career Resource Network**

- Lost federal funding in 2005
- In July 2000, moved program into California Department of Education (DOE)
- Two person State agency

Governor signed legislation to move CalCRN to CDE as a program rather than stand alone state agency effective July 1, 2010. Mission: To serve Californians with career exploration resources (especially middle and high school students)

**California Careers Info (<http://www.Californiacareers.info>)**

- Entry point for career seekers
- 3 Entry Portals: For Students, Educators, and Job & Career Seekers
- Reference Labor Market Information Web Page
- Updates
- “What's New?” Video introductions: job hunt, meetings
- Links to all California CRN Resources
- Plus “Where do I Start?” for students, educators, and job & career seekers

### **California Career Zone (<http://www.cacareerzone.org>)**

- (New site) Online information delivery system
- Adapted from New York's Career Zone and include features of O\*NET
- "Assess Yourself": Quick Assessment, Interest Portfolio, and Work Importance Profiler
- "Explore Industry Sectors"
- "Additional Resources"
- Links to roadtripnation.com, includes video interviews of professionals by young 20 something's
- "Search Occupations"
- "Occupation Details"
- Reported a peak in unique users

### **California Reality Check (<http://www.californiarealitycheck.com>)**

- Adapted from an application developed for Texas  
Three Exploration Options
- Build a budget in one of 22 California Cities
  - Choose future salary, educational level, and occupational category
  - Get ballpark idea of cost of selected lifestyle
- Becoming increasingly used in Economics classes

### **California Career Planning Guide, 2<sup>nd</sup> Edition**

- Book produced by CalCRN
- Career Action Plan (e.g. training)
- Introduction to Career Planning
- Learn About Yourself
- Investigate World of Work
- Use What You've Learned
- Test the Waters
- Wrap It Up - Create Career Action Plan
- Future Plans for book: Publish Spanish Edition and Full-Text Version by March

### **The Real Game CA™ (TRGC)**

- Simulation game of adult work life
- Classroom-based career educational curriculum: Used in 70,000 classrooms in 11 Countries
- Students experience California adult life/work roles to learn career self-management competencies
- Done in 4 Units throughout 22 Sessions - For 74 Role Profiles
- Making a Living
- Quality of Life
- Changes and Choices
- Personal Journey

### **New Resources (last item should actually be these two)**

- Find and get the right job
- Succeed at Work
- California Reality Check Workbook
- Video Introductions

### **Resources in the Works**

- Counselors Guide to Using CalCRN Resources

John Announced a Series of Free Regional Training Webinars in February

**Economic Update**-Paul Wesson, Economist, EDD  
(Slideshow Presentation)

### **Economic Update (Intro)**

According to a consensus of economists the “free-fall” recession is coming to an end.

### **The U.S. Economy Grew in the Third Quarter of 2009, leading many observers to conclude that the long and severe U.S. recession is over**

- Notes that fourth quarter GDP data will be released the next day on 1/29/2010
- Pointed out growth in 3<sup>rd</sup> Quarter of 2009 at 2.2% growth following declines
- Estimated 4<sup>th</sup> Quarter of 2009 at more than 4% growth

### **Components of GDP: Several sectors contributed to the positive growth in the third quarter**

- Showed bar graph of Quarterly U.S. Real Personal Consumption Expenditures: Reported 2.8% growth in the 3<sup>rd</sup> Quarter of 2009
- Showed bar graph of Quarterly U.S. Real Investment in Residential Structures: Reported 18.9% growth in the 3<sup>rd</sup> Quarter of 2009 (investment in housing)
- Showed bar graph of Quarterly U.S. Federal Government Spending: Reported 8% growth in the 3<sup>rd</sup> Quarter of 2009 (attributed to Federal stimulus spending)
- Showed bar graph of U.S. Exports of Goods and Services: Reported 17.8% growth in the 3<sup>rd</sup> Quarter of 2009 (attributed to Federal stimulus spending)
- Showed bar graph of U.S. Imports of Goods and Services: Reported 21.3% growth in the 3<sup>rd</sup> Quarter of 2009

### **However, business investment continued to fall, if at a more moderate pace**

- Showed bar graph of Quarterly U.S. Nonresidential Fixed Business Investment, reports declines for the past year (Comments that businesses are holding back)

### **Investment in Equipment and Software Turned Slightly Positive in the Third Quarter**

- Showed bar graph of Quarterly U.S. Investment in Equipment and Software: Reports 1.5% growth in the 3<sup>rd</sup> Quarter of 2009

### **But Investment in Commercial Real Estate Continued to Tumble**

-Showed bar graph of Quarterly U.S. Fixed Investment in Nonresidential Structures: Reports declines for the past year

### **U.S. Unemployment Rate**

-The U.S. Unemployment rate was 10.0 percent in December, unchanged from November, but still at levels not seen since mid-1983.

-The U.S. rate was up 2.6 percentage points over the year, but up only 0.6 percentage point since May.

-The U.S. rate was 5.6 percentage points higher than its May 2007 trough.

-Showed linear graph of U.S. Unemployment Rate, reporting 10.0% Unemployment Rate for December 2009

-There were nearly 15.3 million unemployed Americans in December 2009, an increase of 3.9 million (33.9 percent) over the year

-Increase from December 2008 to May 2009: +3.1 million; 624,000/month

-Increase from May 2009 to Dec. 2009: +749,000; 107,000/month

-Last two months: -345,000 (Commented big moderation in unemployment figures)

-Increase from March 2007: Over 8.5 Million (127.0 Percent)

-Showed linear graph of U.S. Civilian Unemployment (from December 2006 to December 2009), reporting 15,267,000 U.S. Civilians Unemployed in December 2009.

-The number of employed Americans fell by over 5.4 million from December 2008 to December 2009

-Showed a linear graph of U.S. Civilian Employment, from December 2005 to December 2009

### **U.S. Nonfarm Employment**

-In December, U.S. nonfarm payrolls fell to their lowest level since March 2004. The nation's job losses totaled over 7.2 million jobs (5.2 percent) since December 2007.

-Year-over nonfarm job losses in the U.S. totaled nearly 4.2 million (3.1 percent) in December 2009. At their peak in July 2009, year-over job losses totaled over 5.8 million (4.2 percent)

-However, the monthly data show steadily diminishing job losses over the course of 2009 (Commented that there's moderation of job losses).

### **U.S. Industry Sector Employment**

-U.S. Job losses over the last year have been widespread among most industries

-Showed bar graph of Year-Over Changes in U.S. Industry Sector Jobs

-But the job losses moderated in most industry sectors in the second half of 2009 relative to the first half of the year

### **Why People Want to Name this Recession**

- A flattened U-shaped recovery in the U.S. labor market seems to be developing. The bottom of the U could extend awhile
- Showed linear graph of Nonfarm Payroll in U.S. Economic Downturn After World War II As Measured by Peak-to-Trough in Employment

### **CALIFORNIA**

**-The December 2009 California unemployment rate was 12.4 percent, unchanged from November, but slightly below October's record high of 12.5 percent (commented that it's the worst unemployment rate since 1940)**

-Showed linear graph of California Unemployment Rate Since 1976

**-There was noticeable moderation in the pace of increase in the California rate during the last seven months of 2009**

-Year-over year increase in rate (Dec 09): 3.7 percentage points

-Increase from Dec. 08 – May 09: 2.9 %, or ~0.6 % per month

-Increase from May 09 – Dec 09: 0.8 %, or ~0.1 % per month

-Rate increase from Dec 07: +6.5 % –Increase from Dec. 06: +7.5 %

-Showed linear graph of California Unemployment Rate, Three-Year Trend

**-The rate of increase in the number of unemployed Californians has also moderated in recent months**

-Year-over increase (Dec. 09): +648,000 (40.2 Percent). At March 2009 Peak: +925,000 (79.3 Percent).

-Dec. 09 – May 09 increase: +547,000 (109,000/mo)

-May 09 – Dec. 09 increase: +101,000 (14,000/mo)

-Drops in 3 of last 4 months

-Showed linear graph of California Civilian Unemployment, Three Year Trend and bar graph of Month-Over Changes in California Unemployment in Over the Last Two Years

**-Civilian employment is falling at a near record pace**

-The number of employed Californians fell below 16 million in December

-Year-over employment losses totaled 973,000 (5.7 percent)

-There were 1,158,000 (6.8 percent) fewer employed Californians in December 2009 than in July 2007

-Showed linear graph of California Civilian Employment Three-Year Trend and bar graph of Month-Over Changes in California Employment Over the Last Two Years

### **The California labor force is shrinking**

-Down by about 398,000 since April

-Down 325,000 (1.8 percent) over the year, a record (i.e. since January 1976).

-Showed linear graph of California Labor Force: Three Year Trend and bar graph of Month-Over Changes in California Labor Force Over the Last Two Years

-Stressed that the shrinking labor force is not necessarily Breadwinners but "Marginal" workers-people who don't necessarily have to work.

## **Labor force participation in California and the nation, is falling at a record rate as disillusioned individuals give up looking for work or defer entry into labor force**

- In December 2009, California's labor force participation rate (LFPR) fell to its lowest level since September 1977.
- California's year-over LFPR decrease of 2.0% and the nation's 1.2% year-over decrease are the largest on record.
- Showed linear graph of California Labor-Force Participation Rate: Three Year Trend and linear graph of U.S. Labor Force Participation Rate: Three-Year Trend.

## **Underemployment: California Workers Who Work Part-time for Economic Reasons (i.e., involuntary part-time work)**

- Their number is up 567,000 (59.0 percent) over the year; up 850,000 (125.3 percent) over two years; and up 935,000 (157.7 percent) over three years.
- Over one out of every 11 (9.4 percent) employed Californians worked part-time hours involuntarily in December 2009
- Showed linear graph of Californians Who Work Part-Time for Economic Reasons December 2006-December 2009

## **Alternative Measures of Labor Utilization**

- U-3 Unemployment Rate=Unemployment as traditionally defined
- U-6 Unemployment=broadest measure of unemployment and underemployment. This measure includes unemployed workers, workers who work part-time for economic reasons, those not in labor force, but want a job, are available to work, and searched for work in the last year
- Both measures are expressed as a 12-month average of Current Population Survey of Households data
- California's U-3 unemployment rate was 11.3 percent in December.**
- California's U-6 unemployment rate was 21.1 percent in December.**
- More than one out of five of the Californians in the labor force (employed or unemployed) and who could work but had given up searching was unemployed or had their hour reduced in December.
- Rule of thumb=the U-6 rate is about twice the U-3 rate
- Showed linear graph of Alternative Measures of Unemployment and Underemployment in California

## **CALIFORNIA NONFARM PAYROLL JOBS**

- California's job losses in the current recession totaled 1,054,400 (6.9 percent precise) in December 2009. Nonfarm payrolls fell to their lowest level in over a decade (i.e. since October 2009)
- Showed linear graph of California Nonfarm Jobs Ten-Year Trend
- Why People Want to Name this Recession: Job losses in the current recession, compared to past recessions. Recent moderation, but will it continue?
- Commented that early in recovery, chart will spike up and down
- Showed linear graph of Nonfarm Payrolls in California Economic Downturn Since 1970 As Measured by Peak-to-Trough in Employment

## **Signs of Recovery in the California Labor Market**

- Year-over job losses have begun decreasing
- Showed linear graph of Year-Over Changes in California Nonfarm Jobs Over the Last Three Years
- The magnitude of California's monthly job losses is steadily diminishing, but in fits and starts. December's disappointing 38,000 job loss was largely due to lackluster holiday hiring, as California consumers continued to restrain their spending (Comments incentive structure has remained unchanged and that consumer "psychology" leads them not to spend)
- Showed bar graph of Month-Over Changes in California Nonfarm Jobs Since July 2007
- Progression of job losses during the recession...
- Showed bar graph of Average Monthly Changes in Total Nonfarm Jobs August 2007 through December 2009
- ...and in broadly defined economic sectors (commented temporary hiring is a precursor to real hiring)
- Showed bar graph of Average Monthly Job Changes to California's Housing and Finance industries, the Consumer Economy, and the Rest of the Economy.
- Showed bar graph of Month-Over Changes Growth in California Industry Sector Jobs
- December's job loss should not distract from the broadly improved employment situation in most California industries in the second half of 2009
- Showed Table of Average Monthly Job Change in California Nonfarm Industry Payrolls: First Half 2009 vs. Second Half 2009
- Showed bar graphs of Regional Trends: Two-Year Job Change, Year-Over Job Change, and Regional Trends: 2009 v. 2008 (Commented Southern California might be pulling out)
- Showed bar graph of Two-Year Percent Changes in State Nonfarm Payrolls (reported California as the 10<sup>th</sup> highest state, commented due to overheated housing economy), bar graph of Percent Changes in State Nonfarm Payrolls (reported California as the 10<sup>th</sup> highest state), and bar graph of Six-Month Percent Changes in State Nonfarm Payrolls (reported California as 16<sup>th</sup> highest state, commented California has improved)

## **To say the recession is most likely over does not imply a rapid recovery. 2009 ended with the U.S. and California economies waiting for some sort of spark to ignite growth**

- Consumer does not seem positioned to provide such a spark. Over the longer term, spending will increase with jobs and income growth.
- Export growth could be the spark which could eventually ignite the larger economy, but the sector is comparatively small.
- Stimulus monies could spark growth, but state and local budget deficits threaten to douse the flame.
- But a spark may not be enough. What will fuel the fire (i.e. drive the recovery)?
- Outlook? A modest recovery that could take awhile to get off the ground.

**Comments:**

Judi commented that the number of Americans unemployed equals the number of employed Californians.

Bonnie announced that LMID has obtained subscriptions to the Help Wanted On-Line (HWOL) database that will allow LMID to better assess real-time labor market information. The HWOL database uses a powerful search engine to tabulate and code job listings while eliminating duplicative listings. Occupational and some industry information can be arrayed at a variety of geographies. LMID has plans for a variety of research using this database.

**Grant Update**-Bonnie Graybill, Deputy Chief, Labor Market Information Division

In October, EDD applied for 2 DOL LMI-Improvement (ARRA) grants; awarded one.

A Consortium Proposal that aligned states in the Western Climate Initiative to seed an innovation research fund, and form a multistate ‘review board’ that would solicit and evaluate proposals for innovative research was not awarded.

Award for State Level Proposal: Received \$1.25 million dollars for LMI

Improvement with five main elements: (1) Provide analyses of green survey being conducted by LMID. Survey will let us get a baseline count on the green economy; (2) Support further detailed occupational skills research related to green economy; (3) Improve skill transference and occupational skills by identifying and evaluating assessment tools; (4) Create online green training inventory, statewide, and (5) Improve electronic information delivery through LMID information infrastructure.

**Wrap Up/Closing Comments/Next Agenda**

**Closing Comments**

Attendees suggested mining EDD payroll data to acquire where job losses are. Dave Dahlberg replied that there are confidentiality constraints on data. Bonnie replied that the Quarterly Workforce Indicators (QWI) database that utilizes the Quarterly Census of Employment and Wages (QCEW) and demographic data from the US Census Bureau is available on LMID web page. The Applied Research Unit will provide a presentation on the QWI at the next advisory meeting.

Brian Sala from the California Research Bureau suggested that a histogram of job numbers (losses) by income level would be an informative research project.

**Wrap Up**

+	Δ
-All good -Cal CRN Presentation -Paul’s Presentation on Economic Updates -Minutes -New people attending meeting	-Need pointer to minutes online -Steve’s absence -Need info as to how Advisory Group can help LMID to achieve its Goals

**Agenda-4/22/10**

- Quarterly Workforce Indicators/Local Employment Dynamics (QWI/LED) Demo (1 hour)—LMID/Applied Research Unit
- Economic Update—Paul Wessen
- Demo and discuss potential uses of Help Wanted On Line—LMID staff
- Green Survey Analysis—LMID Staff

**Adjourned at 3:25 PM**