

Making Smart Choices in Putting
People Back to Work
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The Economic Outlook

- Job losses will continue until the end of 2009
- So far more than 600,000 jobs have been lost in California.
- There are now 2 million unemployed residents in California and that number will grow even as the stimulus initiatives begin to succeed
- Some job growth in 2010 is possible. Strong job growth likely in 2011.

Workforce Stimulus Money Realistic Framework and Expectations

- The summer youth monies can “create” jobs because they provide funding for employers.
- But training cannot create jobs in a recession.
- Training prepares people for jobs and improves their ability to find work but the addition of jobs to the economy depends on the speed and effectiveness of the other stimulus initiatives.

Stimulus Money—Spend it Fast or Spend it Smart

- It is right to spend the summer youth money fully and fast.
- However, if job levels are falling throughout 2009, it is better to spend the training money “smartly” rather than “quickly” unless quick and smart lead to the same answers.
- So it is important to focus on the long-term training agenda even in recession.

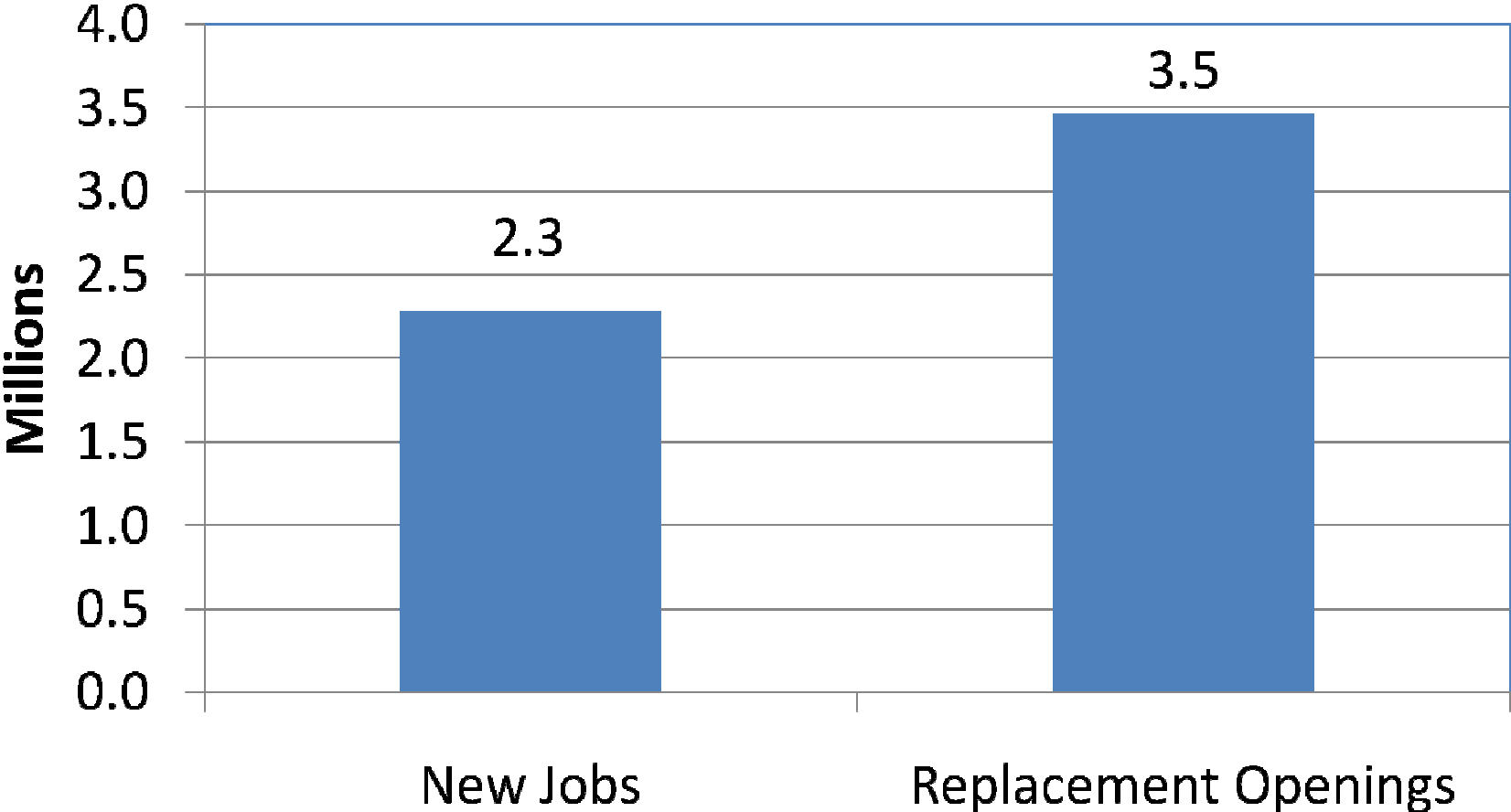
Long-Term Workforce Priorities

- For decades workforce priorities reflected a focus on people at risk through poverty or disability and people thought to be permanently dislocated through changes in the national or world economy
- A newer and critical focus is recognizing the need to help existing workers “move up” to get better jobs and higher incomes. This brings the focus to retirements and replacement jobs.

Replacement Jobs Rock!!!

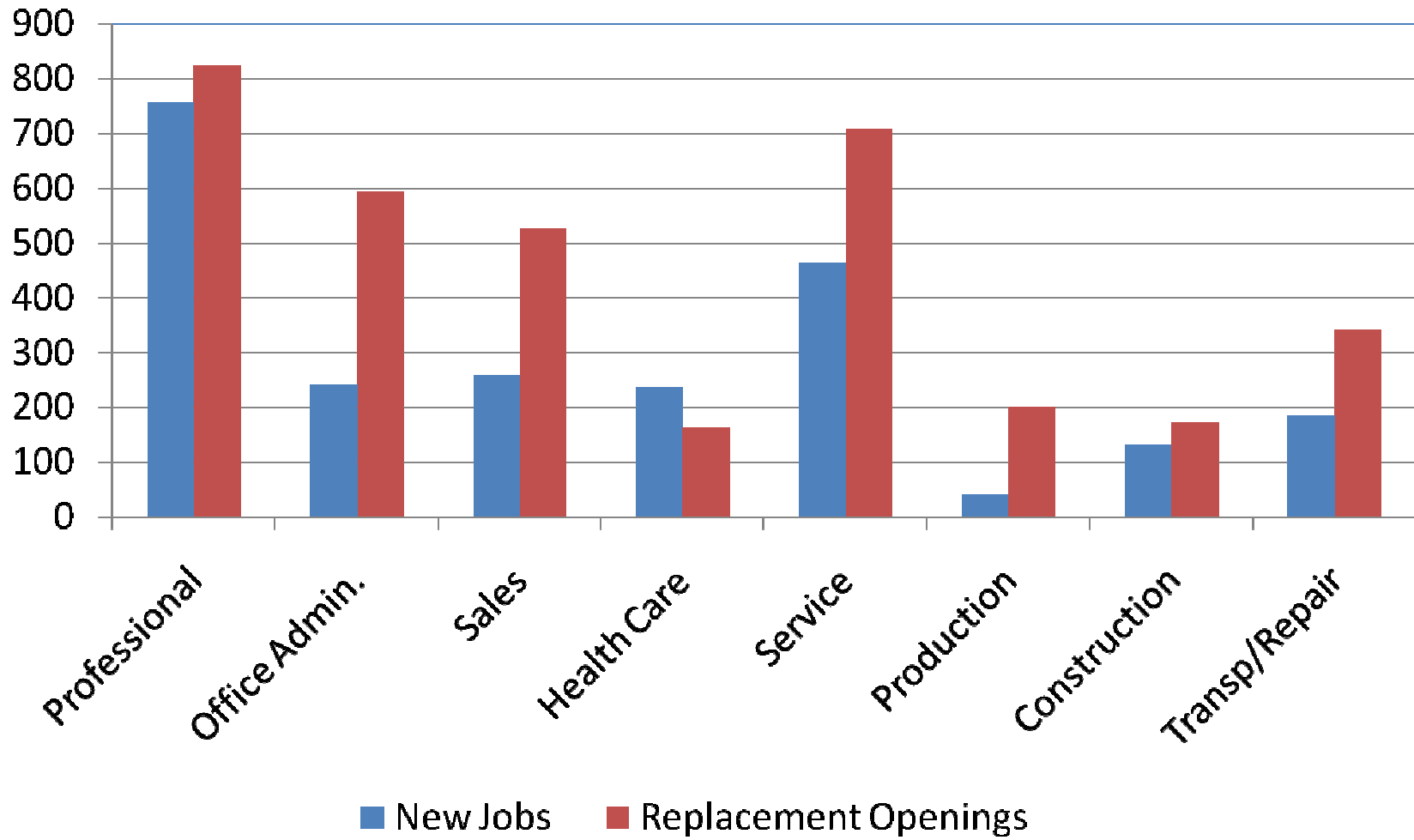
- For every 100 job openings that come from a “new” job, there will be 150 job openings from replacements.
- Concentrate on where the most job openings will be not on the fastest-growing areas for new jobs. They might be very different.
- A tidal wave of baby boomer retirements is coming.

California Job Openings 2007-2017



Openings in the Next Ten Years

(Thousands)



Stories from NOVA

- Most water treatment technical staff retiring
- Massive imminent retirement in local government management
- Need for construction workers to have move up training opportunities
- Retirements hitting the nonprofit sector.
- From elsewhere, machinists in LA, air controllers everywhere, bus drivers and the list goes on

This is “Never Again” Time

- Workforce efforts need to create systems so when this happens again we are prepared.
- A terrible recession is when people have time to retrain or build skills but we weren't ready.
- Federal workforce policy needs to support the creation of a large-scale lifetime workforce skill-building system consistent with the administration's focus on raising skills.

Key Components of an Adult Workforce System

- Good local labor market information
- Partnerships with community colleges, adult education, industry and labor
- Funding and system changes to allow community colleges to respond quickly
 - A substantial commitment to funding
 - Convenient times and training locales
 - Addressing ESL and remediation

Look at the Calendar—Do the Math

- Be realistic about expectations.
- How long will it take to set up new programs?
- Large job growth won't happen for a year.
- There are many highly skilled people who are unemployed. Don't plan to bypass them.
- Build for the long term or expect disappointment.
- Green is great but most openings are elsewhere