



# Industry, Employment & Skills in a Time of Transition



An Employment Forecast for Santa Barbara County  
Conducted for the Santa Barbara County Workforce Investment Board

May 2012



# Key Questions



1. How has the great recession **impacted Santa Barbara's economy** and how will these **trends continue or change** in the future?



2. What are the industries that will **drive economic growth** in Santa Barbara County?



3. Where are the **jobs going to be in Santa Barbara** and what type of **skills** and **abilities** will they require of job-seekers?

# Research Objectives



**1. Identify key industry clusters**  
based on current  
and future growth  
potential



**2. Understand employer needs**, including employment **challenges**, **preferences**, and **key skills** for success





**3. Identify opportunities**  
for the WIB to support  
employers, job-seekers  
and workers

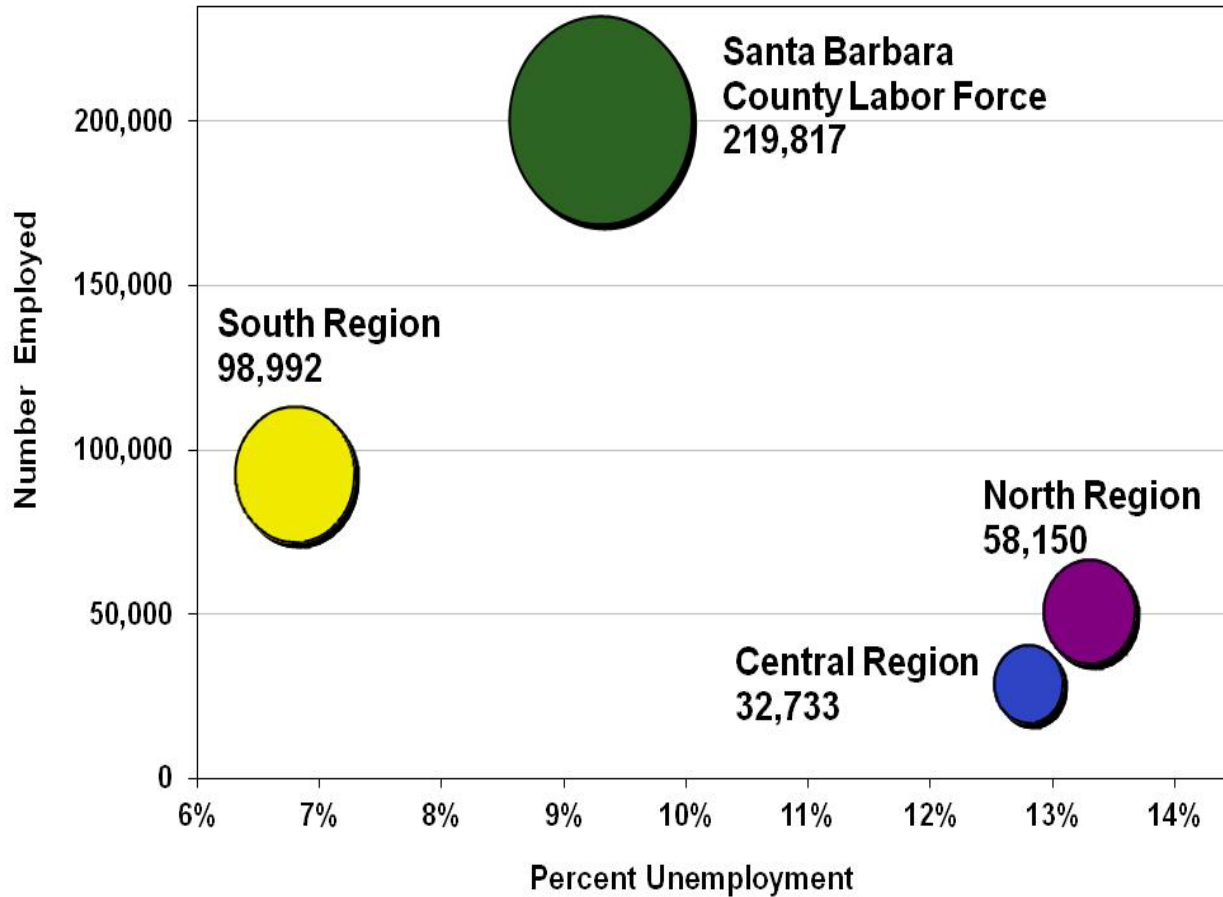
## **Secondary Research:**

- Complete employment datasets for Santa Barbara County and each of the Industry Clusters (EMSI, EDD and BLS)

## **Primary Research:**

- Quantitative survey (telephone) of 317 Santa Barbara County employers and Executive Interviews with County Employers

# Santa Barbara County's Labor Force



Highest Unemployment:

## Lompoc city

15.5% unemployment  
3,167 unemployment

## Guadalupe City

15.05% unemployment  
408 unemployment

## Vandenberg AFB CPD

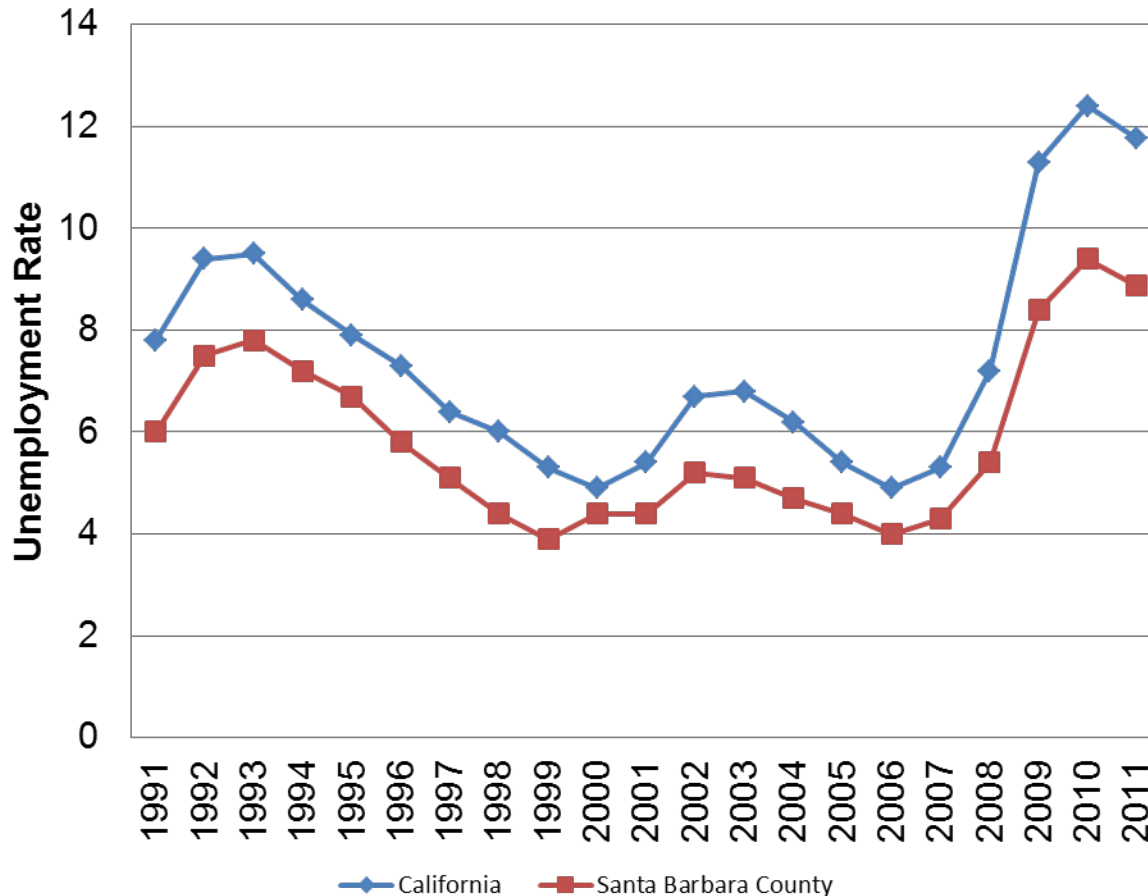
14.02% unemployment  
200 unemployment

## City of Santa Maria

13.78% unemployment  
5,517 unemployment

# Historical Unemployment

In 2011 **19,508** of the County's labor force of 219,817 were **unemployed**.



## Comparatives 2011:

Santa Barbara County  
**8.9%**

San Luis Obispo County  
**9.6%**

Ventura County  
**10.1%**

California  
**11.8%**

# Why Industry Clusters

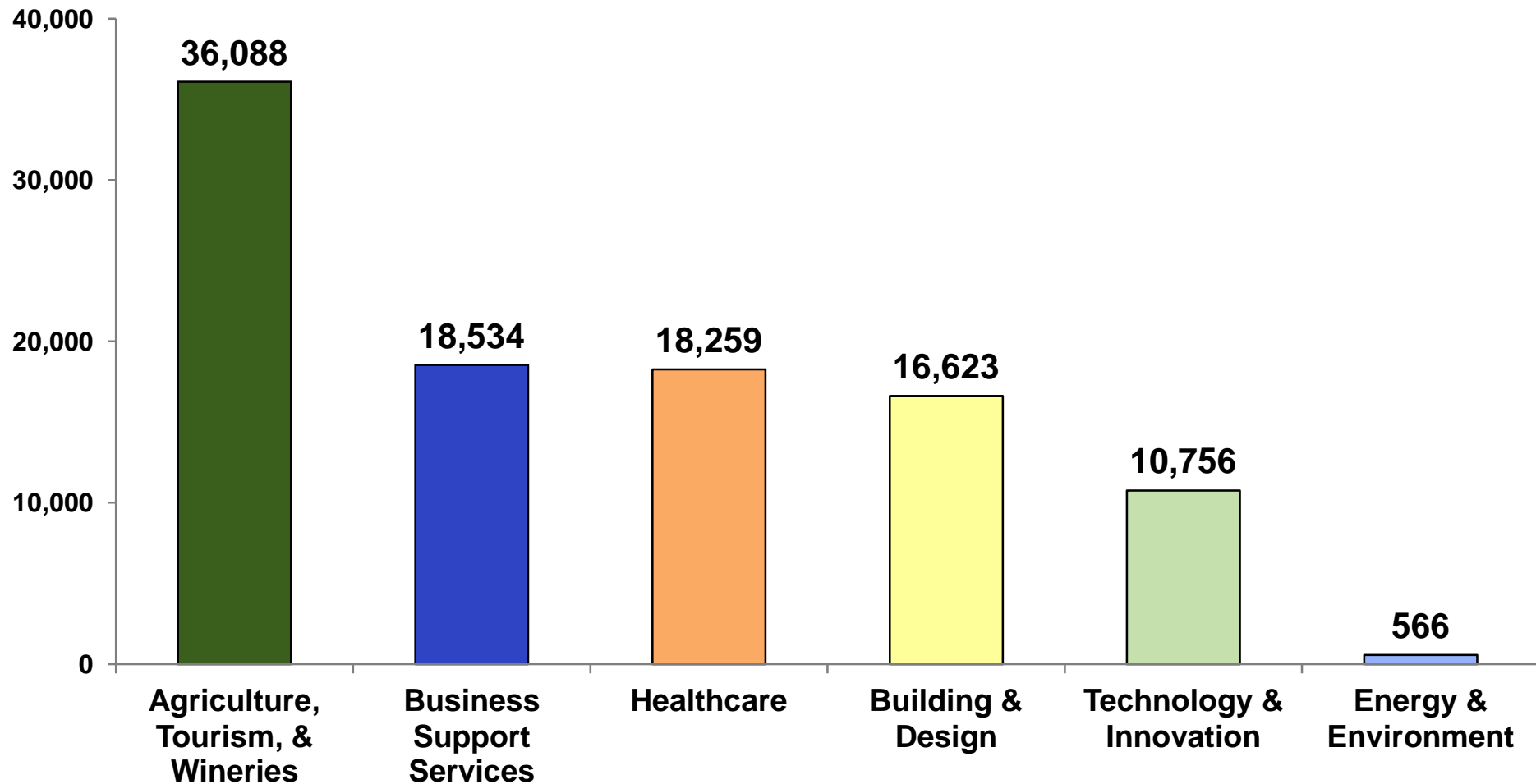
- Allows us to segment the economy and develop a more complete understanding of what is changing
- Engage employers more effectively
- Valuable information for developing new skills and identifying career pathways
- Our industry clusters account for 40% of employment in SB County and 66% of new jobs (2010 – 2011)

# Santa Barbara's Industry Clusters

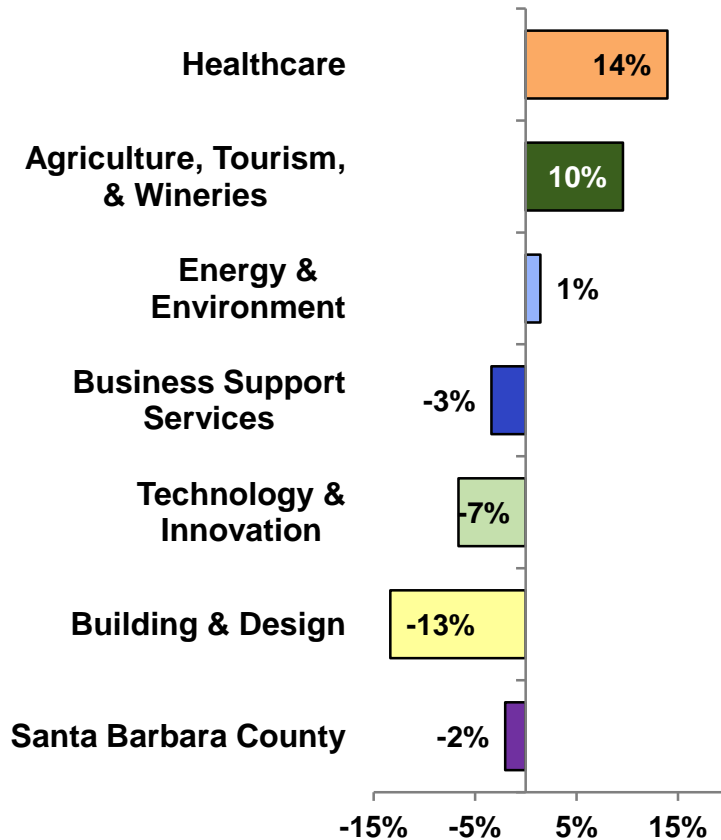


- Healthcare
- Energy and Environment
- Building and Design
- Technology and Innovation
- Business Support Services
- Agriculture, Tourism, and Wineries

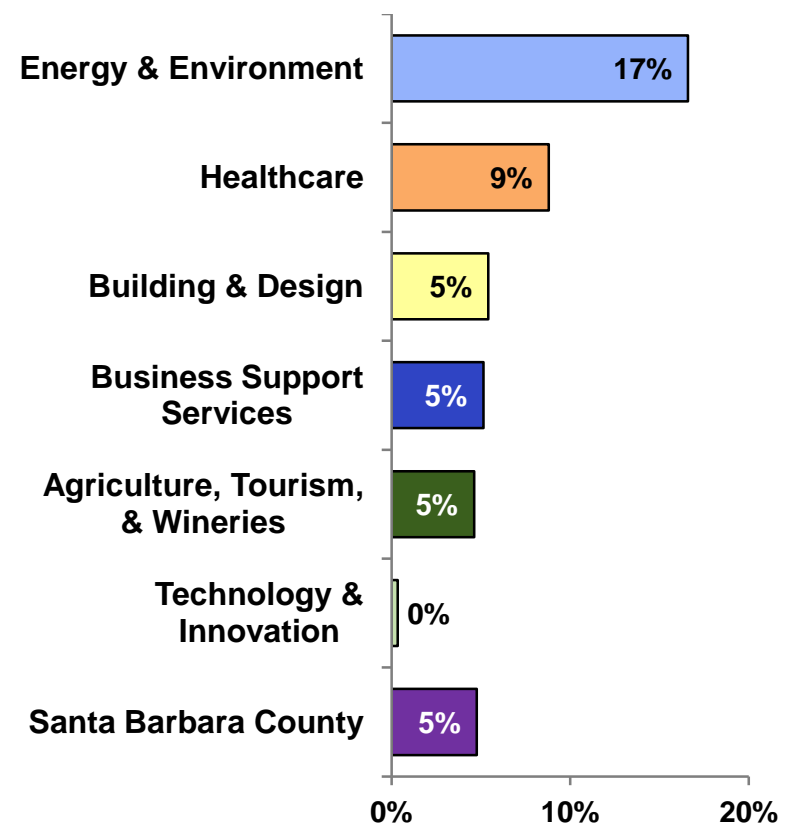
# Santa Barbara County – Industry Clusters



# Cluster Growth Rates: Secondary Data



2006-2011 Historical

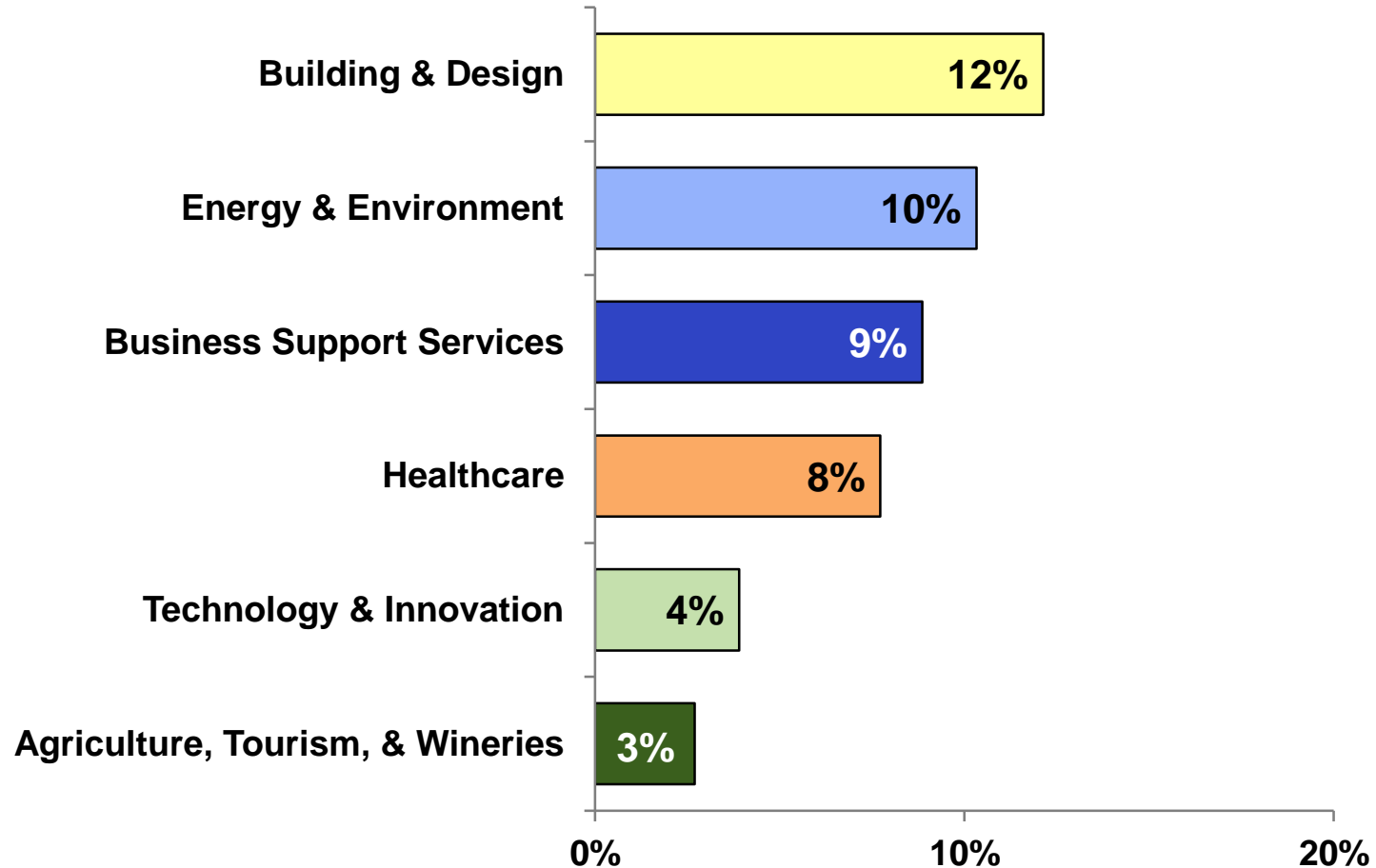


2011-2016 Expected



# Cluster Growth Rates: Survey Data

## Estimated Growth Rates for the Next 12 Months





# Healthcare Cluster

The healthcare cluster in Santa Barbara County employs **18,259** people.

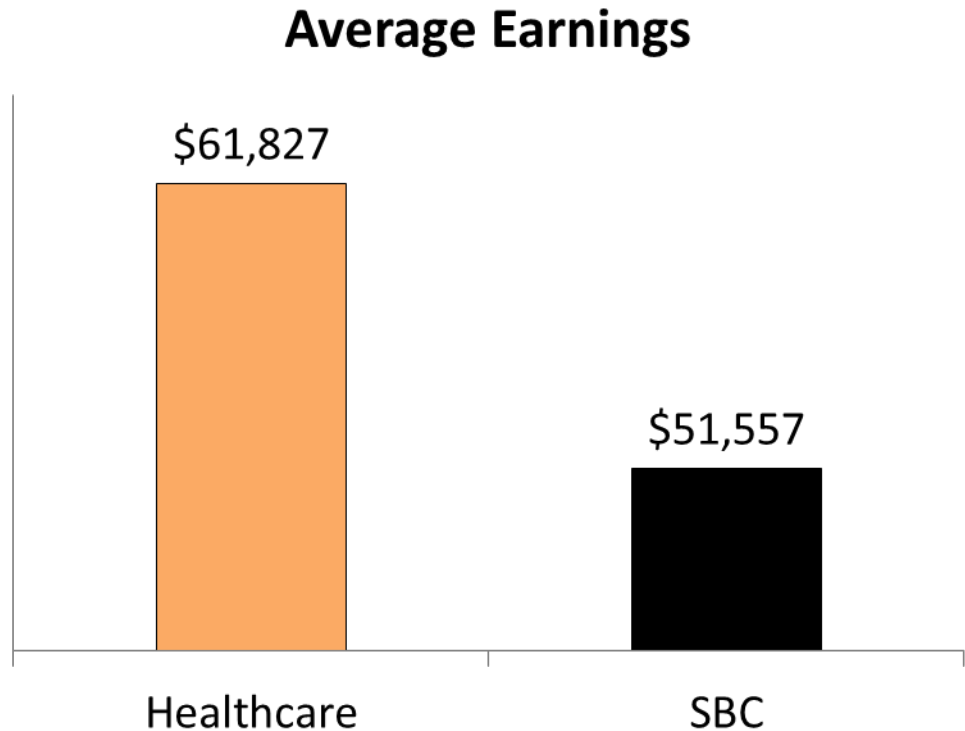
It is comprised of three distinct industry subsectors;

- Ambulatory Health Care Services
- Hospitals
- Nursing and Residential Care Facilities

# Healthcare Cluster - Occupations

Most employees work in;

- Healthcare Practitioners and Technical Occupations; **5,740** jobs
- Office and Administrative Support Occupations; **3,897** jobs,
- Healthcare Support Occupations; **3,862** jobs.



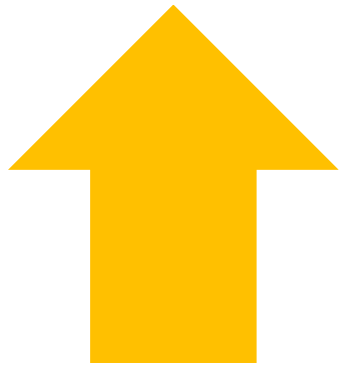
# Job Tiers



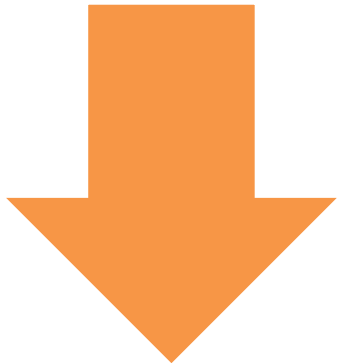
SB's Industry Clusters	Tier 1 Occupations	Tier 2 Occupations	Tier 3 Occupations
Healthcare	41%	28%	31%
Santa Barbara Overall	27%	44%	29%
California Overall	22%	59%	19%

# Healthcare Cluster - Occupations

Healthcare occupations are polarized:



High paid, high education  
entry requirements

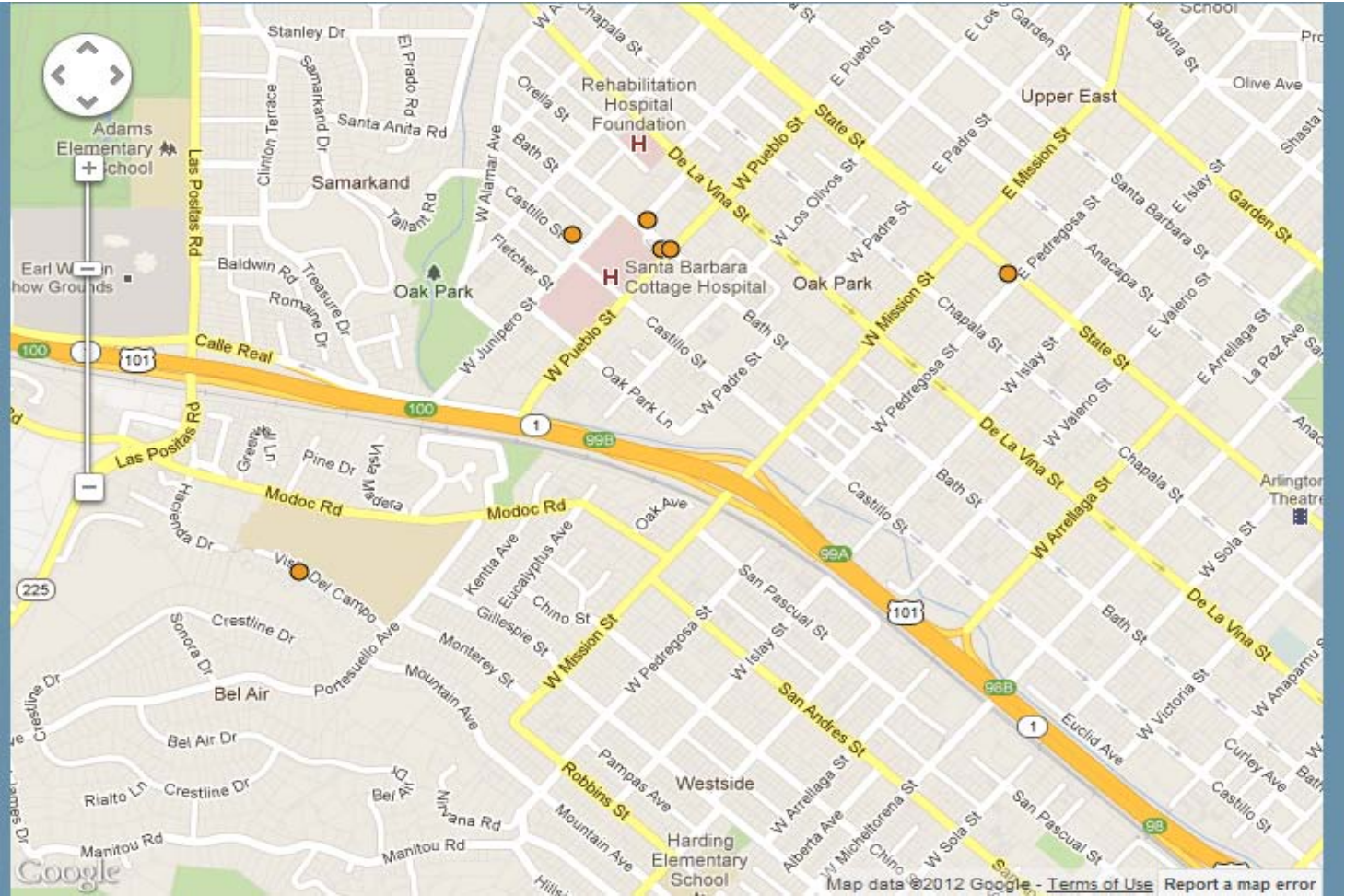


Low paid, low education  
entry requirements

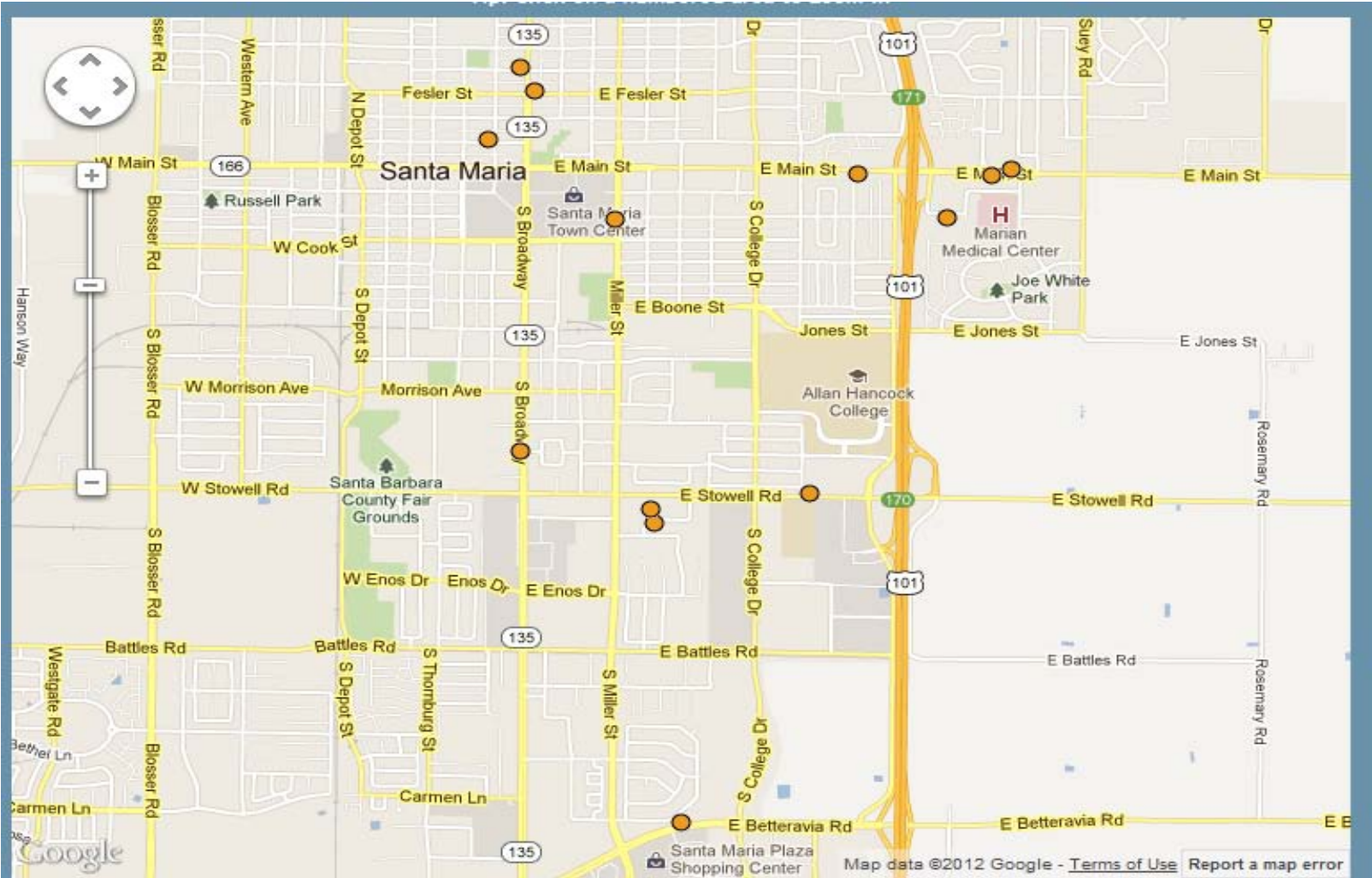
\*Except Healthcare Practitioners at the technician level:

- modest level of education and pay
- clear career pathways with moderate pay.

# EconoVue: Medical or Diagnostic Laboratories in Santa Barbara



# EconoVue: Outpatient Care Centers in Santa Maria





# Healthcare Cluster - Conclusions

1. Large cluster (7% of all jobs) and strong growth (8% over the next 12 months)
2. Well-defined and attainable career pathways and employment stability (industry is driven more by demographics and policy and less by economy)
3. High levels of difficulty finding qualified, non entry-level candidates
  - Key is to develop workers locally rather than import from outside the region



# Energy & Environment Cluster

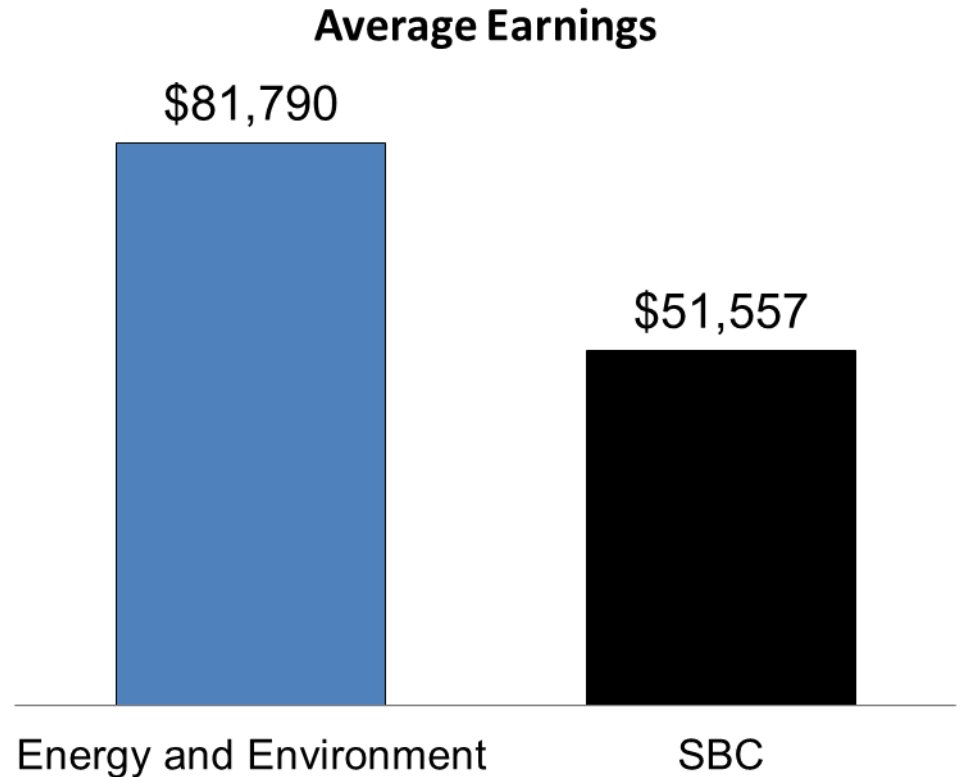
Energy and Environment Cluster in Santa Barbara County employs **566** people.

It consists of industries which produce and sell energy and improve environmental sustainably and meet environmental regulations

# Energy and Environment Cluster - Occupations

Most employees work in;

- Business and Financial Operations Occupations;  
**101 jobs**
- Office and Administrative Support Occupations;  
**46 jobs**
- Installation, Maintenance, and Repair Occupations;  
**33 jobs**

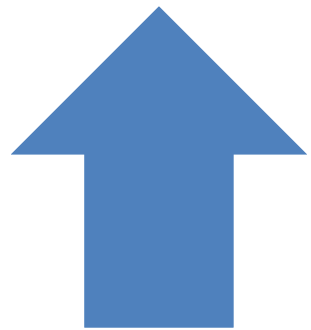


# Energy and Environment Cluster - Job Tiers



	Tier 1 Occupations	Tier 2 Occupations	Tier 3 Occupations
Energy & Environment	51%	46%	3%
Santa Barbara Overall	27%	44%	29%
California Overall	22%	59%	19%

# Energy and Environment Cluster - Occupations



High paid, high  
education  
entry  
requirements



Low paid, low  
education entry  
requirements

Most Energy and Environment occupations are highly paid.

Occupation educational entry requirements demand either:

- Bachelors degree & work experience
- Long term on-the job training.

Few opportunities exist for occupations with low entry education levels

1. Emerging industry with niche employment (0.2% of the workforce) and below-average concentration (LQ 0.59)
2. Strong employment growth (1500% growth in electric power generation, transmission, and distribution since 2006)
3. High levels of difficulty finding qualified workers
4. Good wages and advancement and high credentials for workers



# Building & Design Cluster

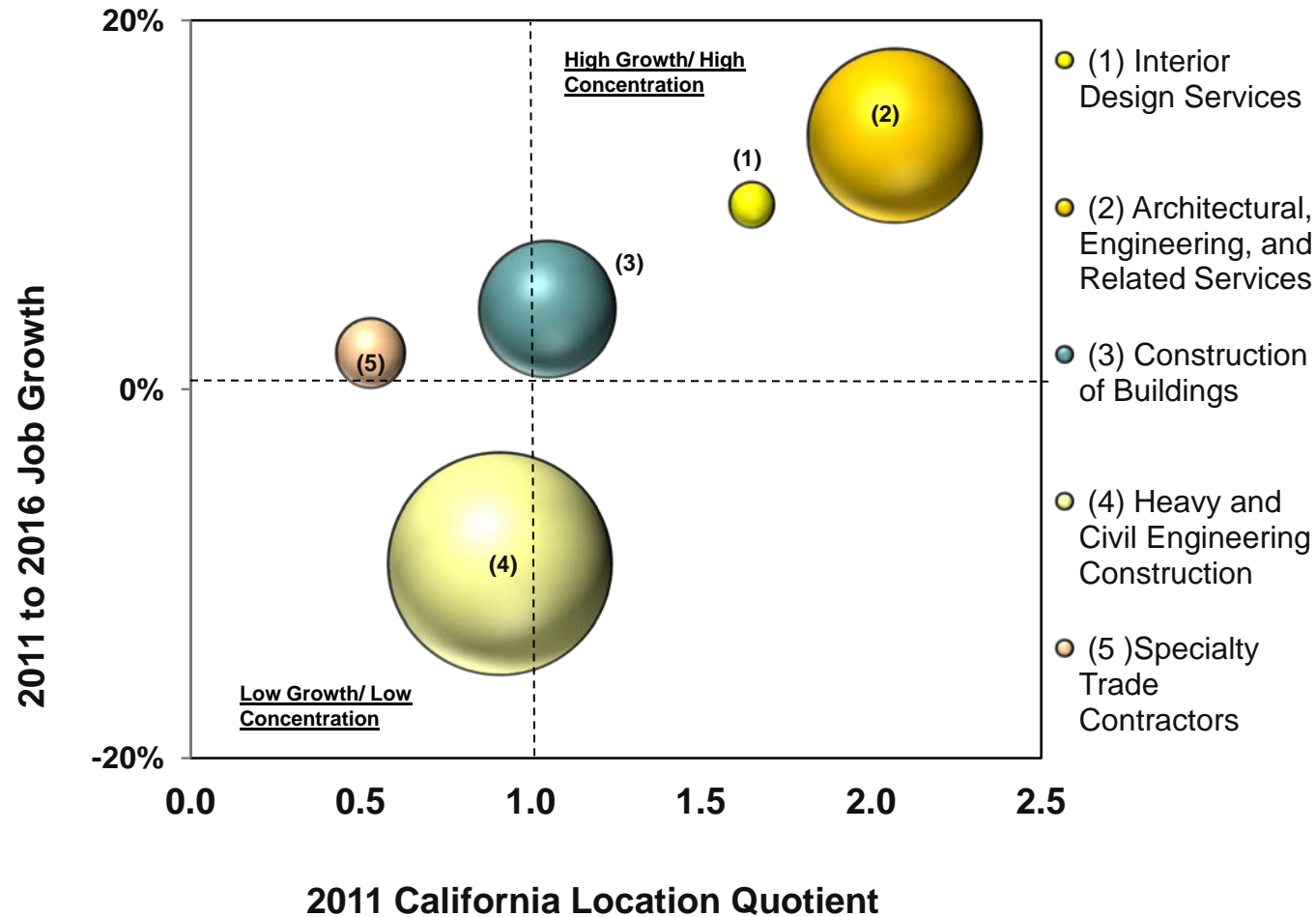


In Santa Barbara County the Building and Design cluster employs **16,623** people.

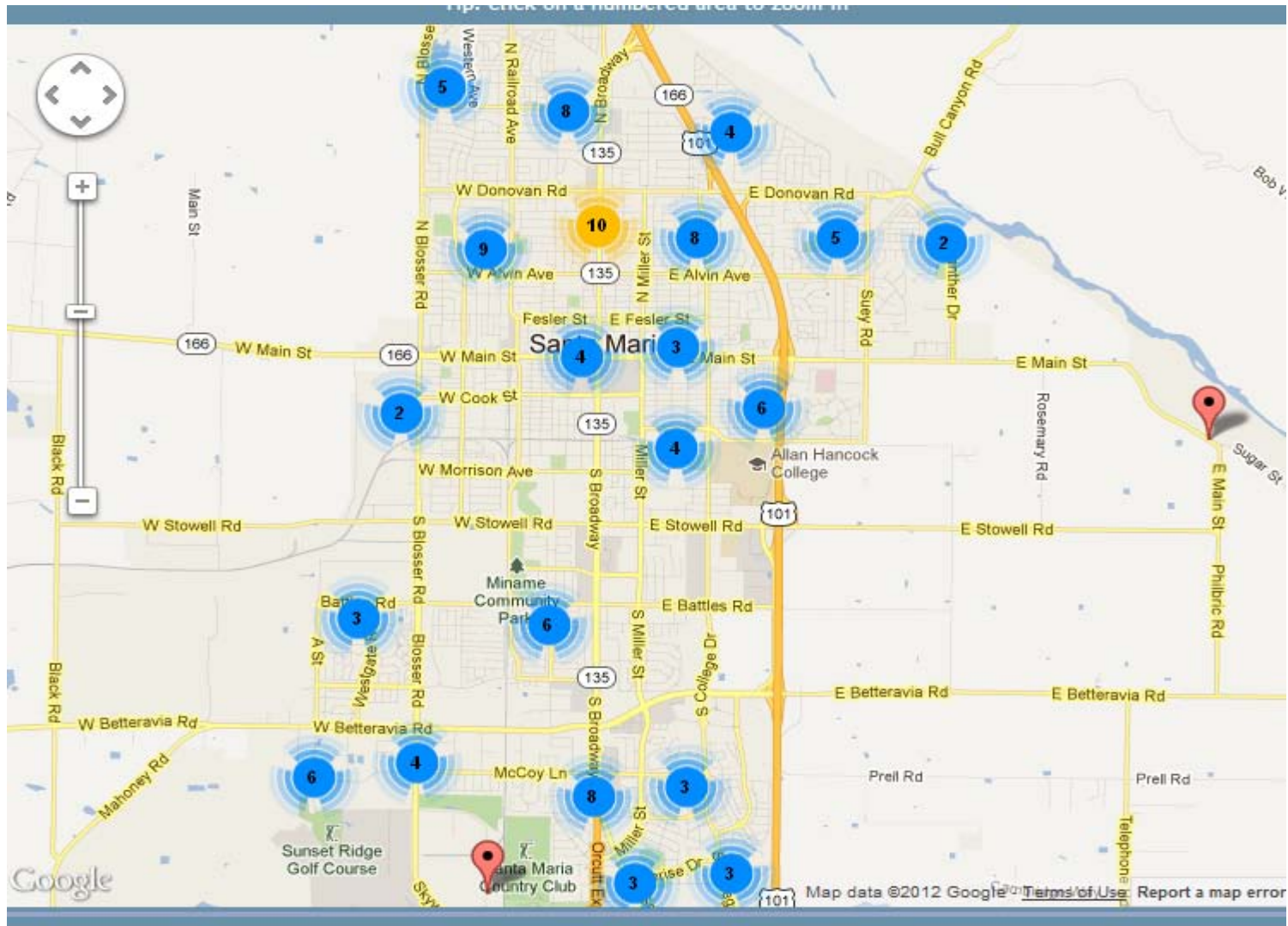
The cluster consists of industries involved in:

- Design and build of residential and non residential buildings
- Interior design of buildings.

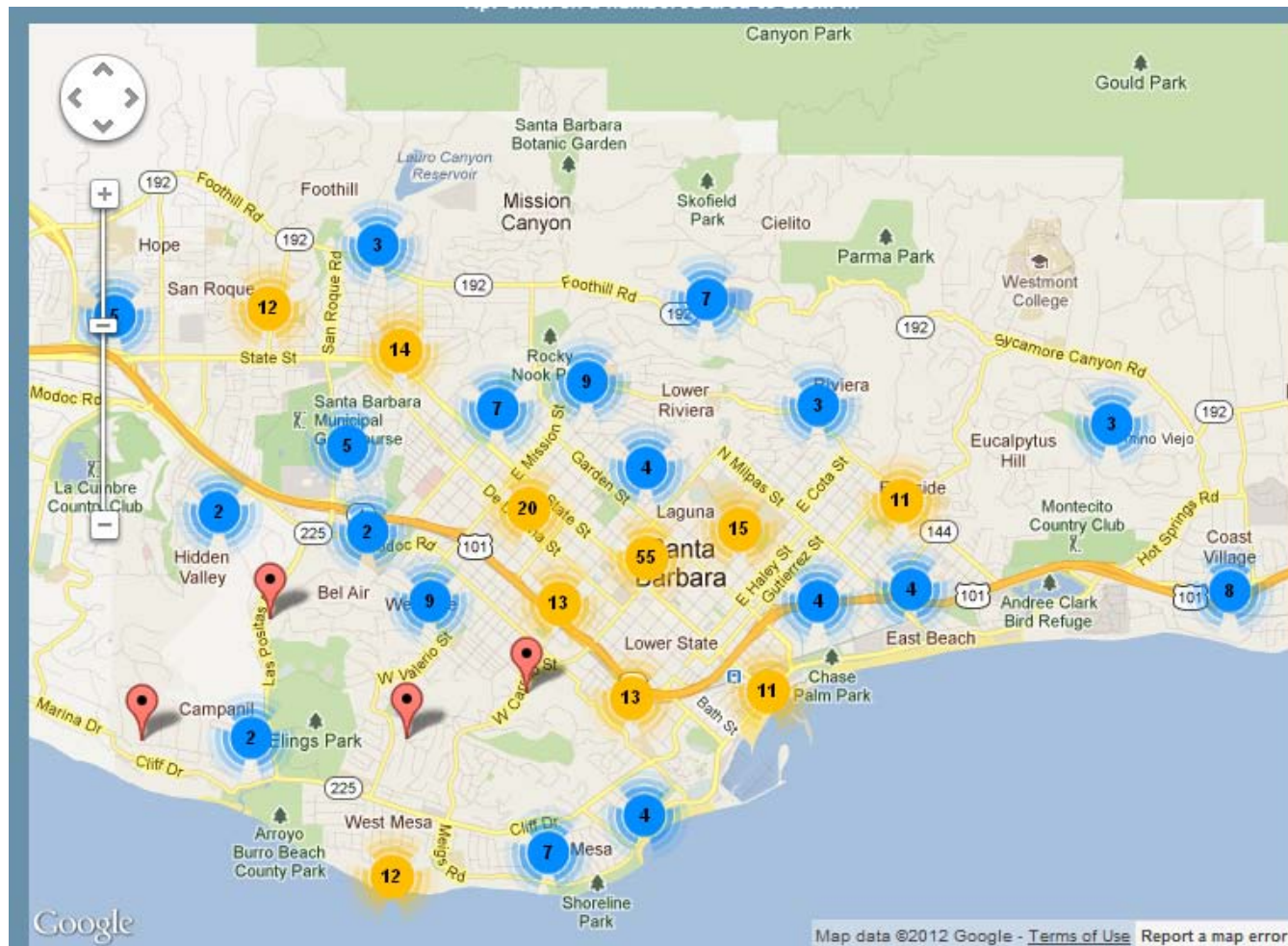
# Building and Design Cluster



# EconoVue: Residential Construction Firms in Santa Maria



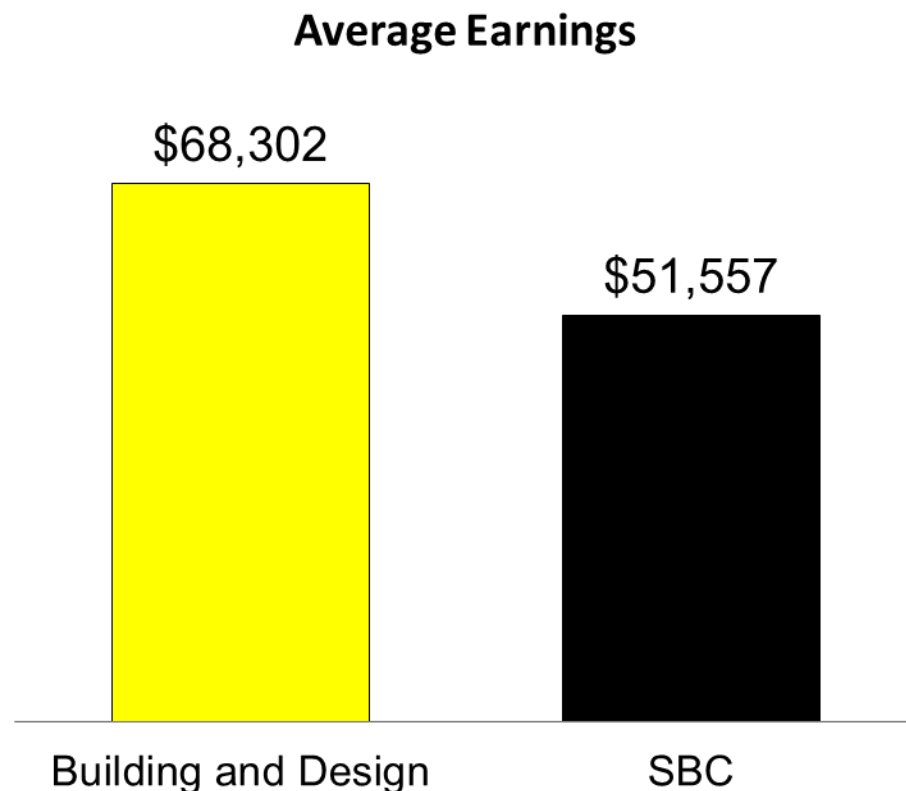
# EconoVue: Architecture, Engineering and Design Firms in Santa Barbara



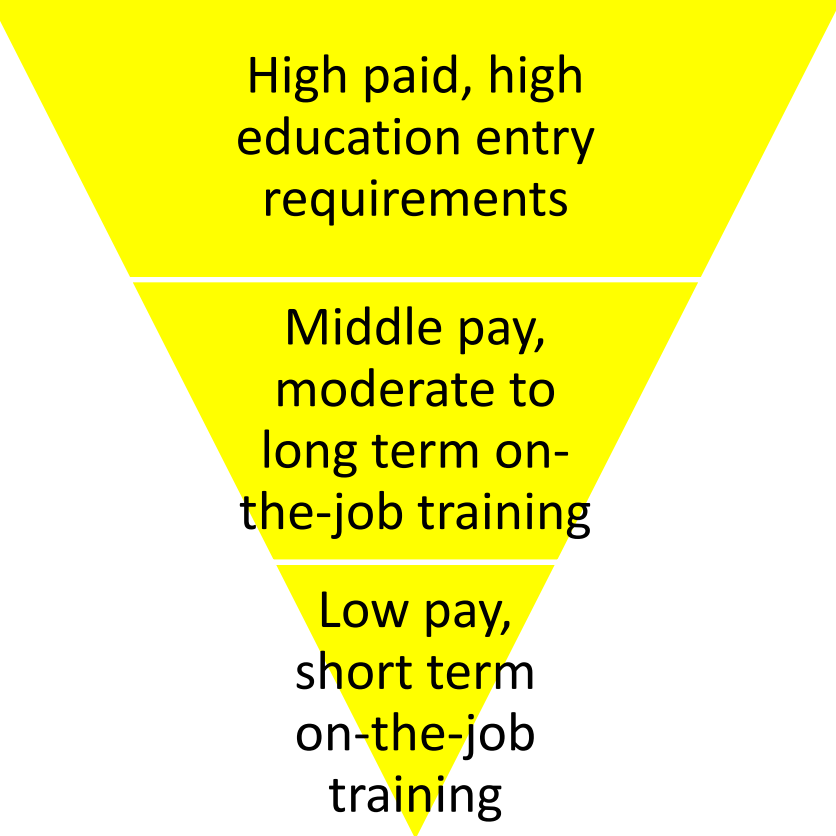
# Building and Design Cluster - Occupations

Most employees work in;

- Construction and Extraction Occupations; **7,496** jobs
- Architecture and Engineering Occupations; **1,815** jobs
- Management Occupations; **1,477** jobs
- Office and Administrative Support Occupations; **868** jobs



# Building and Design Cluster - Occupations



High paid, high  
education entry  
requirements

Middle pay,  
moderate to  
long term on-  
the-job training

Low pay,  
short term  
on-the-job  
training

Most occupations in this cluster are fair or highly paid and provide good opportunities for building a career pathway.

These occupations require either;

- At least degree level education, e.g. Engineering
- Moderate to long term on-the-job training, e.g. Construction

Few opportunities exist for occupations with low entry education levels.

# Building and Design Cluster - Job Tiers

SB's Industry Clusters	Tier 1 Occupations	Tier 2 Occupations	Tier 3 Occupations
Building and Design	50%	48%	2%
Santa Barbara Overall	27%	44%	29%
California Overall	22%	59%	19%

# Building and Design Cluster - Conclusion



1. Large cluster (7% of workforce) with strong growth in architecture, design, and engineering (14% through 2016) and interior design (10%)
2. Industry concentration is higher than state (LQ 1.19) and nation (1.08)
3. Many higher skill occupations offering high wages
4. Construction declines due to the recession have had strong negative impacts on the cluster overall in the last 5 years
5. Some difficulties hiring skilled workers, but less than other clusters.





# Technology & Innovation Cluster

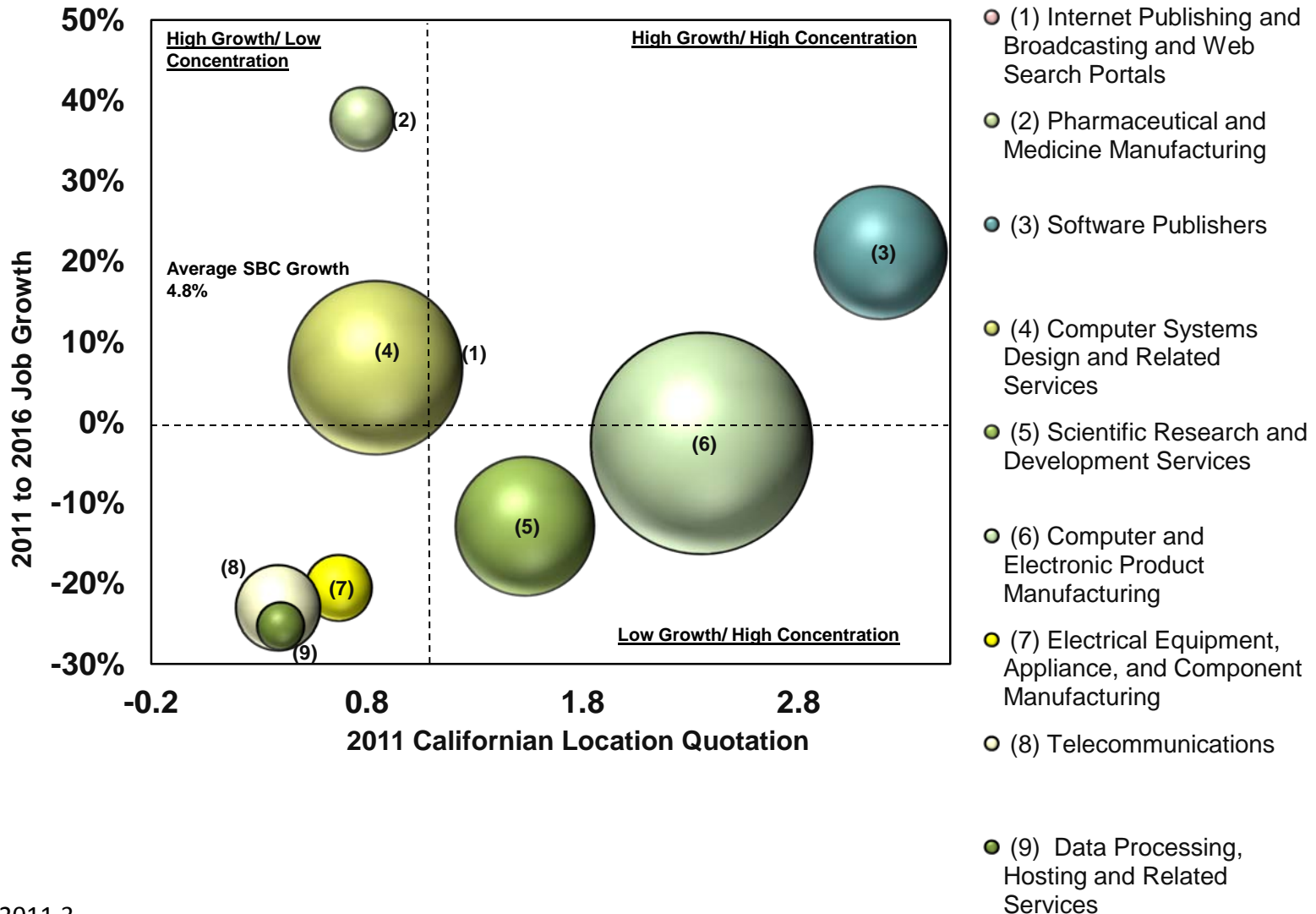
# Technology and Innovation Cluster



The Technology and Innovation Cluster in Santa Barbara County employs 10,756 people.

Industries in this cluster focus on the development and production of new technologies and products.

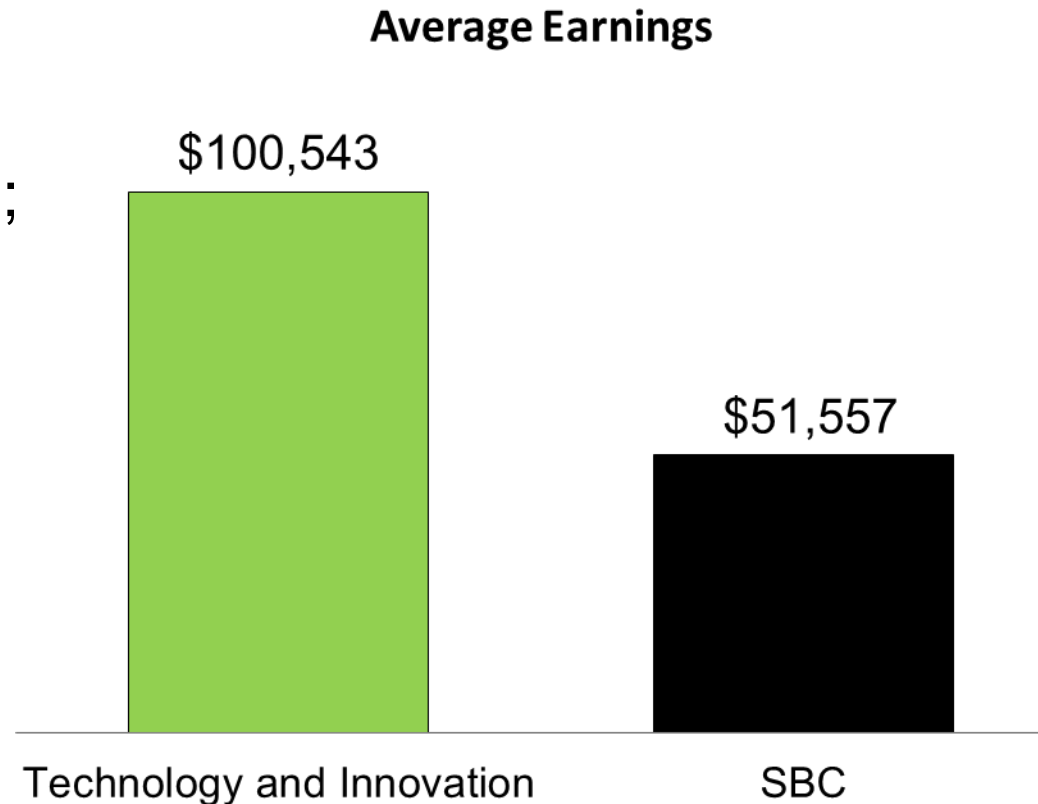
# Technology and Innovation Cluster

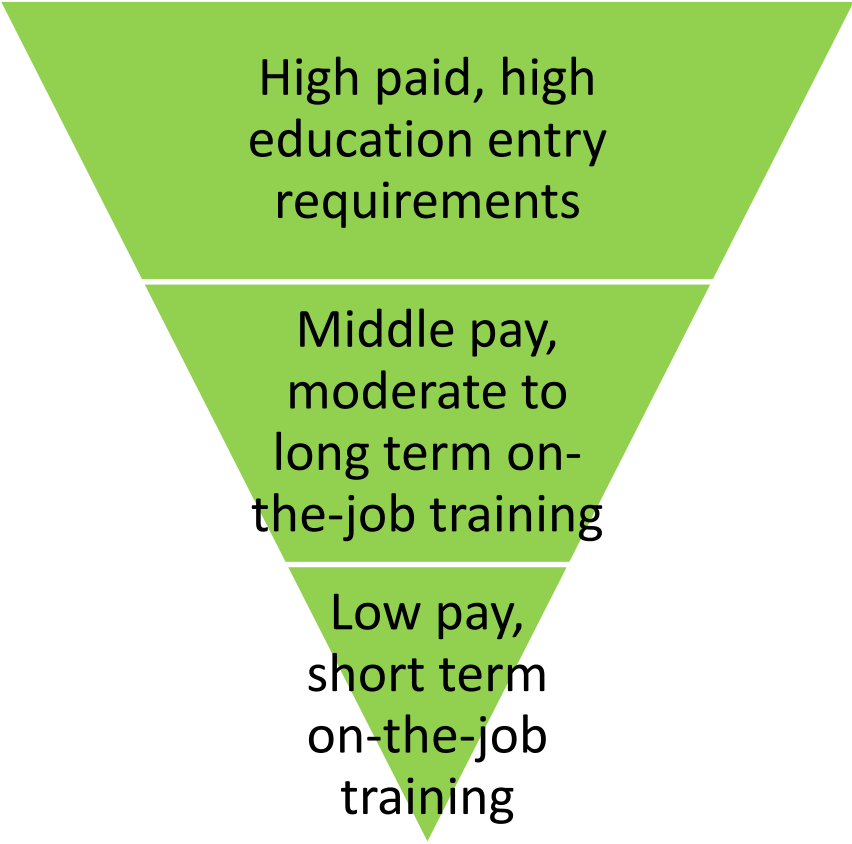


# Technology and Innovation Cluster - Occupations

Most employees work in;

- Computer and Mathematical Occupations; **2,624** jobs
- Production Occupations; **767** jobs
- Architecture Engineering; Occupations **748** jobs
- Management Occupations; **678** jobs





High paid, high  
education entry  
requirements

Middle pay,  
moderate to  
long term on-  
the-job training

Low pay,  
short term  
on-the-job  
training

Most occupations in this cluster are high skilled and therefore require at least a college degree.

Few opportunities exist for occupations with long or short term on-the-job training.

# Technology and Innovation Cluster - Job Tiers



SB's Industry Clusters	Tier 1 Occupations	Tier 2 Occupations	Tier 3 Occupations
Technology and Innovation ↓	65%	34%	1%
Santa Barbara Overall	27%	44%	29%
California Overall	22%	59%	19%

# Technology and Innovation Cluster - Conclusions

1. Medium-sized cluster (4% of workforce) and strong historical growth in Internet/Web (101%) and pharmaceutical manufacturing (42%), with high industry concentration
2. Outside of these areas, there have been rapid declines (worst declines in data processing (-25%), telecommunications (-23%), and electrical equipment/appliance manufacturing (-21%))
3. Occupations are high-wage, higher-skill, with most requiring a degree
4. High levels of difficulty finding talent (77% reporting at least some difficulty)



# Business Support Services Cluster



# Business Support Services Cluster



Business Support Services cluster in Santa Barbara County employs 18,534 people

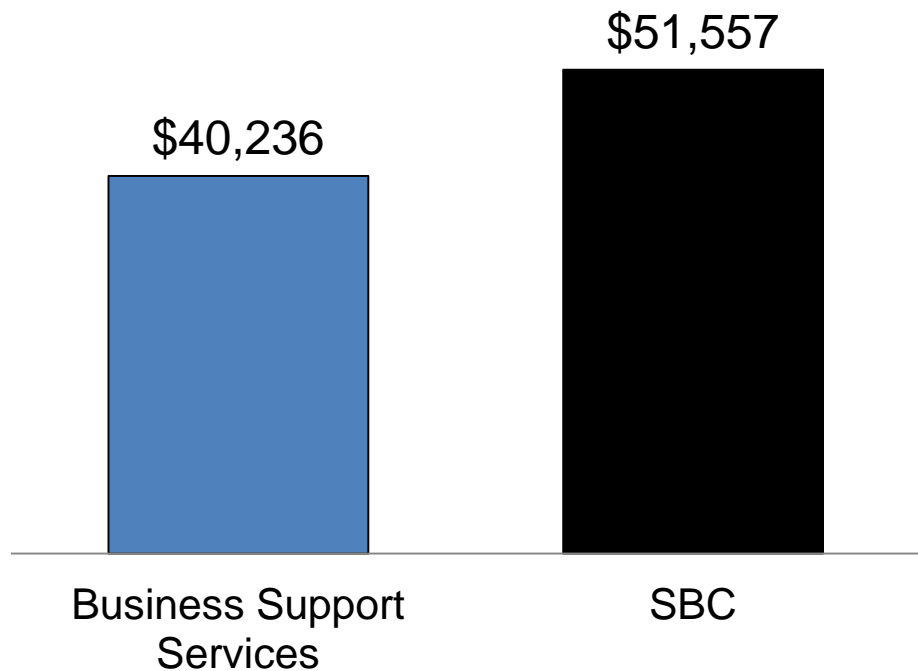
The cluster is comprised of ten distinct subsectors including graphic design services, accounting, advertising, and employment services.

# Business Support Services Cluster - Occupations

Most employees work in;

- Building and Grounds Cleaning and Maintenance Occupations; **5,402** jobs
- Office and Administrative Support Occupations; **2,533** jobs
- Business and Financial Operations Occupations; **1,921** jobs
- Management Occupations; **1,115** jobs

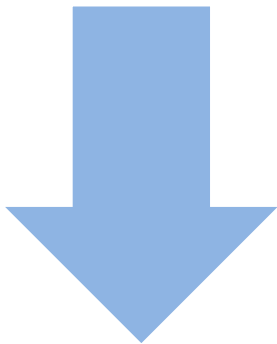
Average Earnings



# Business Support Services - Occupations



High paid, high  
education  
entry  
requirements



Low paid, low  
education entry  
requirements

Most occupations in this cluster are low skilled, requiring short to moderate term on-the-job training.

These occupations are;

- low paid
- have no or little opportunities for building career pathways.

# Business Support Services Cluster - Job Tiers



SB's Industry Clusters	Tier 1 Occupations	Tier 2 Occupations	Tier 3 Occupations
Business Support Services	32%	37%	31%
Santa Barbara Overall	27%	44%	29%
California Overall	22%	59%	19%

# Business Support Services Cluster - Conclusion



1. Business Support Services is one of the the largest of the studied clusters, representing 8% of all jobs and high industry concentrations in graphic design (LQ 1.85), office administrative services (LQ 1.41), and services to buildings (LQ 1.36) compared to national averages.
2. The success of the Business Support Services Cluster is dependent on the overall growth of the businesses to which industries trade with, so it is similar to the overall growth of the region
3. This sector provides an even spread of high, middle and low quality job opportunities, however overall jobs in this sector are paid less than the County average



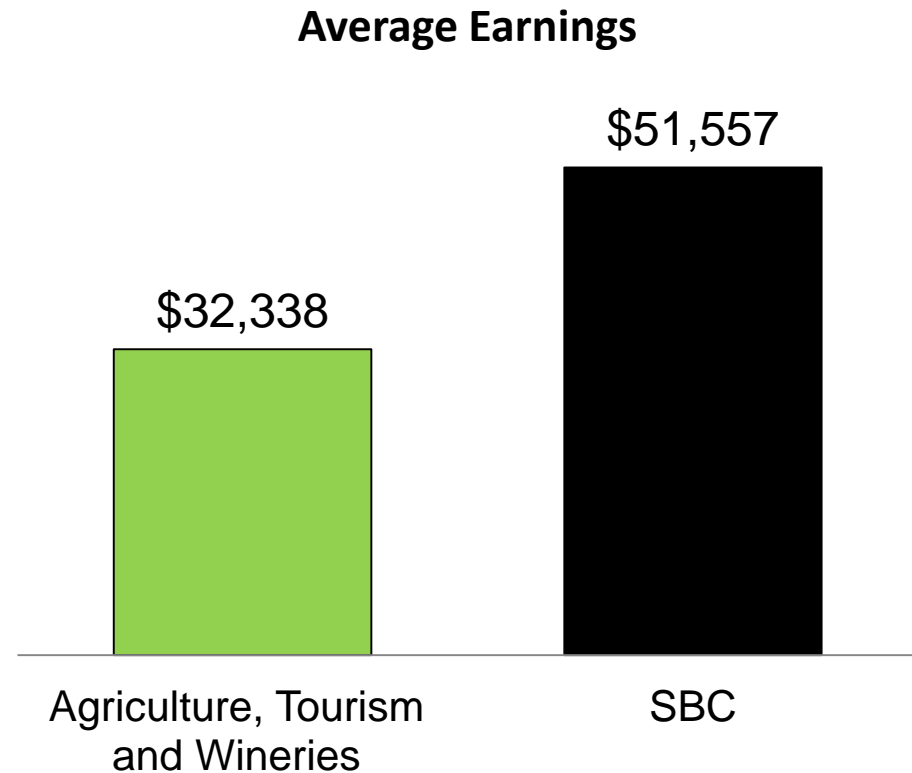
# Agriculture, Tourism & Wineries Cluster

Agriculture, Tourism and Wineries Cluster in Santa Barbara County employs **36,088** people.

Industries in this cluster are a mix of **food production** and **service industries**, e.g. wineries, accommodation, amusement and recreation industries.

Most employees work in;

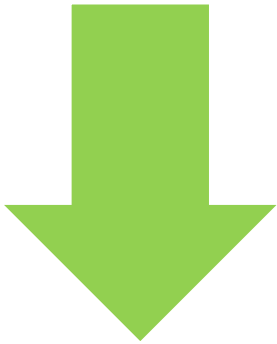
- Farming, Fishing, and Forestry Occupations; **12,326** jobs
- Food Preparation and Serving Related Occupations; **8,921** jobs
- Management Occupations; **3,786** jobs







High paid, high  
education  
entry  
requirements



Low paid, low  
education entry  
requirements

Most occupations in this cluster are low skilled only requiring short term on-the-job training.

These occupations are;

- low paid
- have no or little opportunities for building career pathways.

# Agriculture, Tourism and Wineries Cluster - Job Tiers



SB's Industry Clusters	Tier 1 Occupations	Tier 2 Occupations	Tier 3 Occupations
Agriculture, Tourism & Wineries	15%	13%	72%
Santa Barbara Overall	27%	44%	29%
California Overall	22%	59%	19%

# Agriculture, Tourism and Wineries Cluster - Conclusions



1. This is a dominant cluster representing 15% of the County's workforce, high industry concentrations compared to the nation (LQ 1.90) and state (LQ 1.95)
2. Employment has grown by 10% since 2006 and is expected to grow another 5% by 2016
3. Employment has dropped in three key areas: breweries (-76%), traveler accommodation (-4%), and wineries (-2%)
4. Employers face difficulties finding qualified workers (60%), and there are many employment opportunities, but the occupations tend to be lower-skill, lower-wage with few opportunities for advancement
5. The cluster benefits the region because it brings in revenues through tourism and the export of goods

1. Industry experience critical , but employers want workers who can grow with them.
2. Key emerging technologies for Santa Barbara Employers; smart grid and energy efficiency, emerging information technologies (cloud computing, IT security, gaming/simulations), photovoltaic/solar, and agricultural research.
3. Technical skills (specific to the occupation) and communication skills were most often cited as deficient among entry-level and mid-level employees

1. How does Santa Barbara overcome its bi-furcated workforce?
2. How does Santa Barbara County build upon its diversity, geographically, in terms of technology and in terms of industries?
3. How does the County create stronger pathways for students and job-seekers to move from a tier 3 job, to a tier 2 and eventually tier 1 occupational career?



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