

October 6, 2023

Victor Negrete

I'm the department manager at the Southern California Association of Governments (SCAG) for Inclusive Economic Growth. SCAG region is the Metropolitan Planning Organization, the regional planning agency, which covers six counties, including Orange County and 191 cities in Southern California. Our major charge is developing the region's long-range transportation plan and sustainable community strategy.

Dr. Jesse Crete from the Orange County Center of Excellence has performed research that will inform a report that the SCAG team is developing around expanding access to good jobs in Orange County as well as the other counties that we serve.

Jesse Ben-Ron

We fully expect that we will start that conversation and vote for the industries that this group will focus on when we think about catalysts and moving forward at the next meeting. We wanted to provide one more data point and if you saw in the regional plan part one, there was a significant amount of work from the Center of Excellence.

Dr. Jesse Crete

I am honored to be here today with my colleague, assistant director Mr. Jacob Poore. We will be discussing industries; the occupational part of our assessment was done earlier and is already part of your draft plan. The methodology that we used is very similar for both occupations and industries.

The Centers of Excellence for Labor Market Research is funded by the Community College Chancellor System of California. We are specifically part of the community colleges to provide labor market information for all of the career technical education programs.

Jacob Poore

In our industry assessment, we examined job stability during the Great Recession and the COVID-19 Pandemic, with a keen focus on wages given the high living costs in Orange County and Southern California. To be deemed a good industry, it required resilience during both downturns and average earnings meeting or surpassing the MIT Living Wage standards of \$23.66 per hour for a single adult or \$25.57 per hour for a family. From our examination of 1000 industries, only 14 recession-stable sectors were pinpointed in Orange County. The exhibit categorizes industries based on their 2005 job statistics. "2021 Establishments" highlights physical business locations, while the location quotient illustrates employment concentration, with a quotient above 1.0 indicating a higher local employment rate. Of the 65 Great Recession-stable industries in Orange County, amusement parks and warehouse clubs failed to meet family-supporting wage standards. However, dental laboratories met this criterion with commendable wage levels. Despite challenges, such as those faced by amusement parks, real estate agencies thrived during the COVID-19 Pandemic Recession. Our establishment data originates from reports to the Employment Development Department and the federal government. Furthermore, after analyzing 1000 detailed industries in Orange County that maintained stability throughout both economic downturns, only 14 were identified as recession-stable. These findings offer a more nuanced perspective compared to the broader industries discussed in Dr. Robert Kleinhans' initial analysis. Notably, the Offices of Real Estate Agents and Brokers emerged as a thriving sector within this selective group.

Linda DiMario

Was there any next-stage clustering? In other words, these are the components of a medical device, or this is what we would refer to as a medical device.

Dr. Jesse Crete

We didn't do that deep of a dive in the industry but we did in occupations.

Toni Symonds

This particular analysis doesn't include non-employer firms at all?

Dr. Jesse Crete

No, our industry analyses were two separate analyses. I was referring to the granular-level career that Linda was just asking for. This industry is looking at NAICS codes and industries specifically. It's not translating that back to occupations.

Toni Symonds

Some of the EDD data does not differentiate between part-time and full-time and we would expect in the recession, there was a shift from full-time to part-time. I understand that high wages and being able to meet family means are fundamental concepts, but I don't know that. I want to understand how small businesses fit in.

Dr. Jesse Crete

Please refer to the notes section in our slide deck or the accompanying PDF for detailed information. Our project's output was a slide deck, later converted to a PDF for readability. These identified industries are anticipated to thrive in the future. The analysis dates back to 2020 and was revisited this year, with our report, titled "Our Resilient Jobs," published on our website before SCAG. Utilizing California Insight numbers instead of MIT, we validated our methodology from three years ago and found our predictions to be accurate.

Jacob Poore

The data source that we use is called LightCast and it's a labor market analytics firm. Part of what they do is take the official government data, but also combine different governmental data sets to provide estimates of things like non-employment statistics. Self-employed people, for example, are included in these estimates.

Jesse Ben-Ron

When we think about industry cluster selection it doesn't mean we take the strongest, particularly when it comes to catalysts. Some industries may be better suited for pre-development than others or we can look at which ones are the least resilient and how we can make them more resilient.

Toni Symonds

What I suggest is that we look at the titles and how we're describing things. I'm sure that their data approach is accurate but we need to be clear about the verbiage.

Dr. Jesse Crete

I believe Dr. Kleinhans was looking specifically at the industries that had those economic downturns and I believe that is part of your draft report. We did a report similar with Dr. Kleinhans years ago during COVID. The idea was to get two different lenses of the work.

Austin Lynch

When the downturn hit theme parks were closed but the workers at Disneyland had their health care covered the entire time. Knott's Berry Farm workers were out of luck as they're non-union. This is a big difference between high-road and low-road. As a housekeeper, you can be making \$25 at Disney or you can be making \$15.50 at a nonunion hotel. That's a life-changing difference, and CERF could make the difference.

Jesse Ben-Ron

This is not the deck that we are going to make all these decisions on. This is just one of

multiple data sets that you can look at, refer to, and digest to make the most informed decision possible.

Melanie Schlotterback

Some of the industries like the one I'm in, aren't listed here. We need to ensure that we're capturing the suite of industries that cover the HRTC, whether it's CBOs, tribes, or nonprofits because those are key drivers within this program. There's a nonprofit compensation study specific to Southern California that I think can provide some interesting data that aligns with some of the information we've seen today.

Jesse Ben-Ron

Yeah, I think we'd love to look at that. And then again, we are still in the draft phase of the regional plan part one, and we could think about some incorporation.

Dr. Jesse Crete

I do want to address a couple of comments in the chat. I believe it was Donna who asked how these job sectors relate to current vocational training programs available at OC community colleges. I'm going to attach another deck that's an Educational Pathways deck. What we did is we took the top 25 stable jobs, this is occupation, not industry. We then mentioned similar job titles and listed the community colleges and the non-community colleges that train for those programs. That's what SCAG asked us to do.

David Loeza

Would the group like to move forward with a motion to approve the Regional Report?

Garry Brown

There is some frustration because we are being asked to approve this. We've had 15 minutes to look at it, digest it, and now vote on it. We need more time to process and have a more meaningful Q&A. I'm suggesting that we take a good look at how we're approving very important items going forward and how we're understanding what we're approving.

Jesse Ben-Ron

The decks are provided a week in advance, you would like more time to consume the information, but also for questions and answers. What we could do, is provide the information, they don't present but are available for Q&A and discussion. We assume that some people may not read it thoroughly and want more context, and that's why you have a presentation with some time for Q&A, there's a balance. This is for the group, if you don't motion and second, we don't move forward with it or you can request that this be brought up at another meeting. We will do a format that's most useful to the group.

Garry Brown

I appreciate your leadership on this. It's a lot of information condensed in an extremely short time.

Jesse Ben-Ron

If there's confusion or more questions to be answered, that could be the recommendation.

Linda DiMario

Those of us who are more familiar with its methodologies might feel more comfortable with it. Every piece of data that we've been given is to add to the puzzle, how we interpret that, and how our organizations individually translate that as being purposeful in how we approach our role.

Victor Negrete

The comments that some of you are making are exactly what we have in mind in terms of developing our report. SCAG is developing this report across the region. Our intention is the

plan that you all develop as part of the HRTC will inform our work. Certainly, from my perspective, the work that the HRTC is doing will inform the work that we're doing at SCAG.

Toni Symonds

I certainly like to have more data than less data. I did review this ahead of time, but I think maybe instead of talking with the researchers, we can talk about how we might include it within our report for part one, that we might specifically have a category. As we get closer to specific strategies, the stakes of the information become more important.

David Loeza

If you all don't want to make a motion during this call, you don't have to do it.

Cesar Covarrubias

We need a little bit more information. I like the idea that when we're talking about this data and we're trying to put it into the appendices of the overall research, some validation goes into that. I think there are assumptions that we're considering that this will be used for us to make decisions. I'd like to make sure that the data is more complete. And we're considering other alternatives that we may not be presented with.

David Loeza

It sounds like for this specific item, we won't have a motion. We will take all your comments and come back to this item at a later time. Let's move to the next item on the agenda.

Jesse Ben-Ron

The outreach and engagement initiative has been completed by the 27 organizations that did this work. A full analysis of all the questions and surveys will be brought to you in a subsequent meeting. This survey is very narrow, it's tricky because if you think about a survey with residents, we can't dump all this data on them. They won't fill out the survey. This will be a helpful data point but not the only data point.

C.J. Bishop

We surveyed approximately 3,000 participants to determine the most crucial industries for fostering high-quality jobs in Orange County. Healthcare emerged as the top priority at nearly 23%, followed by education at 18.10%, and computer/information technology at 11.82%. Demographically, the majority of respondents were Asian or Asian American (53%), followed by Hispanic or Latinx (32%), White (9%), and Middle Eastern or North African (2%), with minimal representation from other groups. Across genders, females comprised 63% of respondents, while males accounted for 34%. The largest age group represented was 65 and older. Regarding household income, 30% reported incomes under \$25,000, while 26% preferred not to state.

Ana Urzua

I want to ensure that part of what we are submitting is also information from the community forum in addition to the data we received.

Jesse Ben-Ron

Your findings in that form are also important. We welcome that input, it will provide context to some of these numbers.

One of the topics that was brought up was to have consultants who might help us develop a theory of change. On the screen, you will see a draft process and Toni's feedback incorporated. Toni mentioned that the project should be noncompetitive and must be the only project in the region applying for the grant. There should be a two-page summary of the project description, and a current budget, allow a two-week window including at least two 60-minute calls for members of the HRTC to learn about the project and ask questions. Two-

thirds of this body must approve of this project. We are not going to take any action on these items today.

David Loeza

Today we have The Mark U.S.A. and the USC Center for Economic Development to help us learn about the value of developing a theory of change and the role that The Mark would play in helping Orange County develop one and the role that you all will be playing as HRTC.

Alicia DeVault

The theory of change is not a requirement by the Economic Development Fund, it's a recommendation that they've put in place. Theories of change, are a visual to display your program and what you're working on. The theory ranges from the resources needed to the outcomes the HRTC wants to see. A theory of change is a good time to take a step back and ask, what are we assuming? I envision us getting together and working as a group to come up with your theory of change. We would first identify your inputs, outputs, activities, and outcomes. This would be a collaborative process.

Traci Shirachi

I'm the CEO of The Mark USA. I want to add that this is an opportunity for some form of strategic plan and technical assistance. The logic model and theory of change is a great way to bring everything together such as all the discussions and thought processes you've had around how you want to implement. Think about what the state is asking and how you as a region want to organize it, theory of change and logic model do a fantastic job of bringing that cohesively together.

Linda DiMario

Those of us who have worked in our careers with the value of strategic plans, theory of change model, I think, is just imperative for the HRTC to undertake together. Because of the vast diversity of the organizations that are involved in this process, we're going to be able to visually describe how those purposes intersect and then to what outcome.

Jesse Ben-Ron

Is there anything else this group needs, I want to make sure that we are comfortable proceeding with determining whether we want to do this or not. But if there isn't, please speak up now if you feel something else could supplement this. I leave it to the floor to decide whether there's a motion, a second, and then a desire to proceed.

Linda DiMario

I make a motion that we proceed with the theory of change methodology supported by the resource that's being proposed.

Bobby McDonald

I'll second it.

David Loeza

We'll follow up with a survey where we can track the votes.

Jesse Ben-Ron

We have an in-person meeting next week. There's a lot of efficiency in doing things via Zoom, but you lose a lot and some of this is about building connections and deeper relationships. I highly encourage all of you to attend. I'll send the RSVP so we can feed you well as well. I'll see many of you on the 13th. If not, we'll have the next meeting on the 27th. Thank you all so much.