



# **The North Bay as a Jobs Magnet**

**North Bay Leadership Council  
May 20, 2009**

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# Introduction

- A jobs magnet combines three community elements:
  - Business + Education + Government/Non-Profit Organizations
- Think of job development versus economic development
  - Focus on job attraction and retention
- Need corporate champions
  - Business participation a must
- Current federal and state funding opportunities
  - Need to channel this to local firms
  - These programs are likely to go away

# Job Losses in Current Recession

- Likely to lose more than 22,000 jobs in North Bay
  - About 5 to 7% of Marin, Napa and Sonoma jobs from peak in 2007
- Job losses shed in many industries
  - Large manufacturing firms
  - Finance and Real Estate obvious
  - Construction losses parallel real estate woes
  - Jobs that serve local population begin to suffer
- When we hear about mass layoffs
  - What can be done?
  - Where do these jobs/workers/residents go?

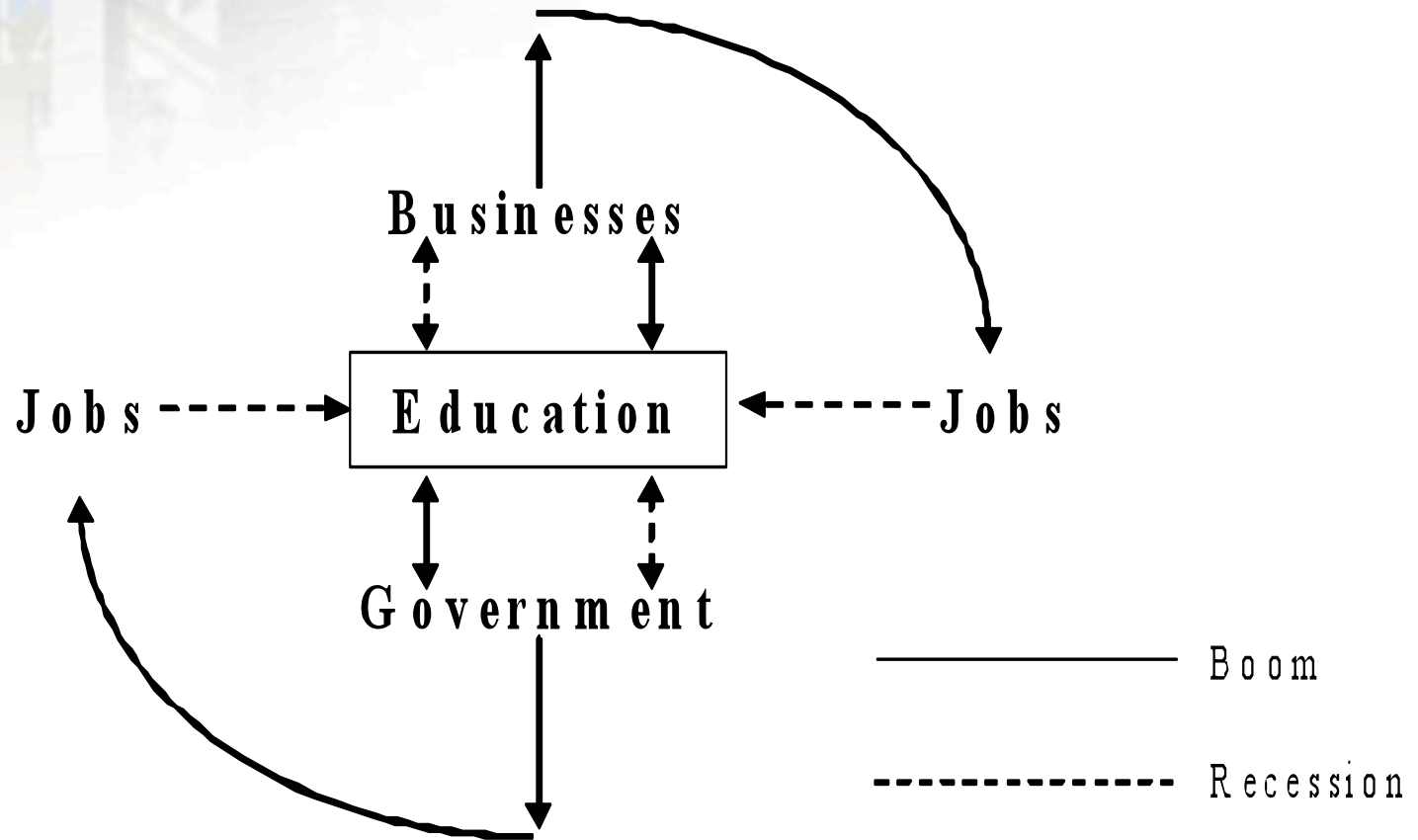
# Jobs History in Brief, North Bay

	1990 Empl	Change 1991-2001	Change 1991-2007	Est. Feb 2009 Empl
<b>Total (Private Industry)</b>	240,571	72,756	78,037	300,200
<b>Primary Products</b>	5,932	1,373	5,497	10,800
<b>Construction</b> →	20,717	5,132	6,309	18,252
<b>Manufacturing</b> →	32,438	11,832	3,328	31,600
<b>Wholesale Trade</b>	10,572	632	1,541	11,912
<b>Retail Trade</b> →	40,079	6,289	4,681	40,700
<b>Transport/Warehousing</b>	4,029	414	2,777	10,308
<b>Information</b> →	7,386	2,630	(1,301)	7,930
<b>Finance and Insurance</b> →	16,230	(598)	(1,831)	13,618
<b>Real Estate Services</b>	5,780	1,241	606	5,676
<b>Professional Services</b>	13,310	6,189	12,082	28,572
<b>Business Consultancies</b>	988	4,510	3,465	5,023
<b>Administrative Services</b>	11,221	7,259	8,085	17,693
<b>Educational Services</b>	3,414	2,289	2,983	8,091
<b>Health Care Services</b>	26,725	11,183	12,445	36,272
<b>Arts and Entertainment</b>	4,755	1,482	1,808	5,597
<b>Hotels and Restaurants</b>	26,238	7,236	10,257	35,604
<b>Other Services</b>	10,757	3,663	5,305	12,552

Source: California EDD



# The Jobs Magnet in Theory





# Jobs Magnet

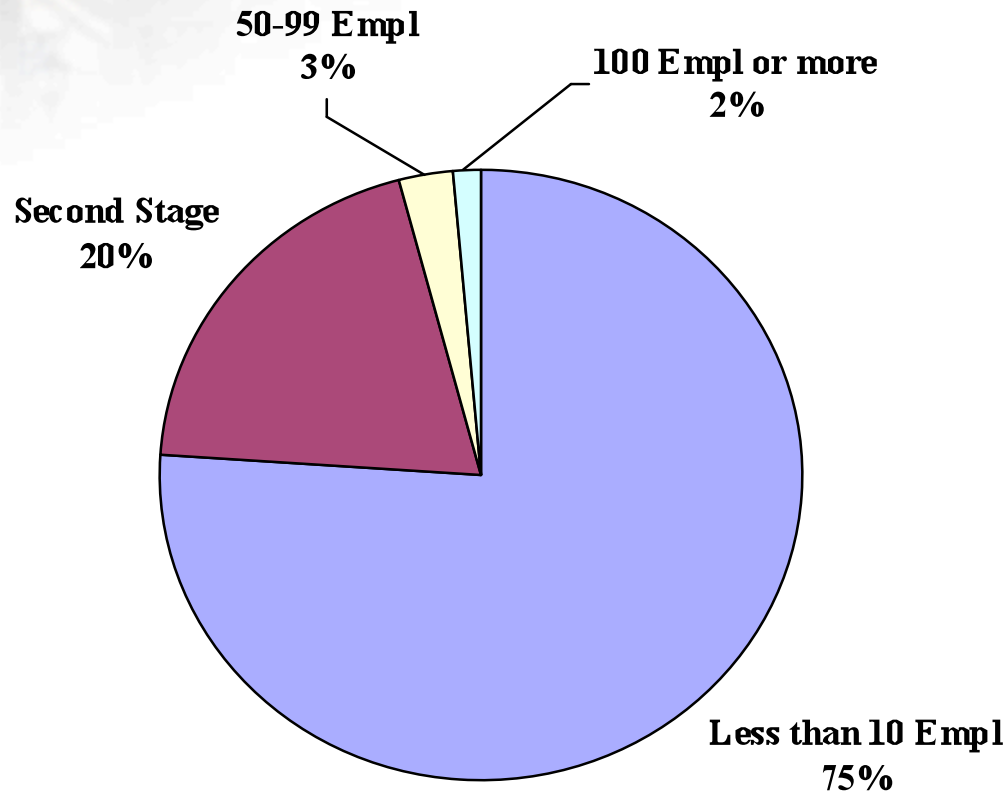
- Education at the center
  - May not be needed, but able to absorb shock
- Business community is a partner in education
  - Funding, internships, curricular input
  - Cannot initiate every suggested change
- Government both a partner with business and an employer
  - Incentives for business going to be federal and state more than local
- Works during booms and recessions



# The Innovation Corridor

- Recognizes small manufacturing as the force
  - Construction
  - Wine industry
  - Biotechnology
  - Defense contracting
  - Intermediate parts assembly
  - Specialty foods
- Entrepreneurship becomes small manufacturing
  - Which becomes second-stage firms quickly

# Companies in the North Bay by Employee Size, 2007



Sources: SBA and National Establishment Time Series





# Education Partnerships

- High School
  - Math and science education
  - Training for jobs
- Community Colleges
  - Certification, training, transition
  - Basic coursework toward degrees
  - Specialized degrees
  - Links to WIBs and newly rotating military personnel



# Education Partnerships

- Universities (4 year and graduate degrees)
  - Degrees of all types in North Bay
  - Except for graduate scientific degrees that graduate doctoral scientists
  - SSU starting an EMBA program
- Education and the Innovation Corridor
  - Use of education to stimulate new businesses
  - Use of education and local WIBs to match jobs
  - Math and science and business not going away
- Sonoma Mountain Business Cluster
  - Private-Public partnership related to education



# New Jobs

- Energy Tech
  - Incentives to be large in this industry
  - Innovation and entrepreneurism here
- Small manufacturing
  - Paradigm shift to smaller manufacturing locally a direct result of entrepreneurism
- Health care
  - Demand will be across all types of care
- Wine industry an anchor in Napa and Sonoma counties
- Initial federal stimulus to fill budgetary gaps in police and K-12 education
  - \$91 million has arrived in Sonoma County

# The Federal Stimulus

**Stimulus Target**

**Billions \$**

<b>Tax Credits</b>	<b>\$227</b>
<b>Health Care</b>	<b>143</b>
<b>Energy Policy and Incentives</b>	<b>108</b>
<b>Education</b>	<b>103</b>
<b>Infrastructure</b>	<b>91</b>
<b>Social Assistance</b>	<b>82</b>
<b>Housing Assistance</b>	<b>10</b>
<b>Money for State Governments</b>	<b>9</b>
<b>Law Enforcement</b>	<b>7</b>
<b>Science Investments</b>	<b>6</b>
<b>Auto Companies</b>	<b>2</b>

Sources: Recovery.gov and CREA at SSU



# Economic Impacts of New Jobs

	From One Job Created in the Industry		
Industry	Total Jobs Created	Total Business Revenue Created	Total State and Local Taxes Created
Green Tech	1.6	\$157,000	\$7,570
Construction	1.5	\$195,590	\$8,300
Scientist/Researcher	2	\$279,900	\$13,490
Manufacturing	1.9	\$160,000	\$9,000
Medical Professional	1.6	\$200,500	\$10,390
Hotel Worker	1.4	\$145,000	\$13,400
Retail	1.2	\$84,000	\$9,980

Sources: CREA at SSU





# Some Indicators to Build

- **These monitor pressures on both sides of labor market**
  - A land inventory use index
    - Vacancy and geography
  - A workforce commute index
    - Where do workers go?
  - A housing affordability index
    - Housing and rental prices versus median income
  - An education capacity index
    - For jobs demanded, can local education supply those jobs?
  - A gross county product index
    - Like GDP for the counties and region
  - A transportation congestion index
    - Hotspots tell where public transportation can provide relief
  - Leading and coincident economic indicators



# Conclusions

- Focus on job matching must be a combined effort.
- The North Bay is likely to lose about 22,000 jobs;
- Federal stimulus can be used locally to create as many as 10,190 jobs;
- Health care, construction, tourism, small manufacturing, and the wine industry will be growth industries in the next five years;
- Vacant commercial real estate properties are potential epicenters of business attraction, entrepreneurship and the creation of an Innovation Corridor; and
- Local education is the fulcrum for job development.

# Recommendations

- 1. Link firms to potential stimulus money and coordinate efforts to use funding**
- 2. Form a North Bay Education/Jobs Partnership**
- 3. Build an “Innovation Corridor”**
- 4. Reduce or eliminate fees on new businesses that lease or purchase vacant commercial space in specific, high vacancy areas;**
- 5. Reduce or eliminate fees for businesses that are in clean/green technology or have received federal stimulus money;**
- 6. Engage community banks to consider alternative lending; and**
- 7. Establish a regional entity to oversee job development for the entire North Bay.**



[www.sonoma.edu/org/crea/jobsmag1.ppt](http://www.sonoma.edu/org/crea/jobsmag1.ppt)

