



PUTTING OAKLAND TO WORK

**A comprehensive strategy to
create real jobs for residents**

By the East Bay Alliance for a
Sustainable Economy (EBASE)

And the Oakland NetWork for
Responsible Development (ONWRD)

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- ❖ Oakland ACORN
- ❖ Alameda County Building & Construction Trades Council
- ❖ Asian Pacific Environmental Network (APEN)
- ❖ Central Labor Council of Alameda County, AFL-CIO
- ❖ Communities for a Better Environment
- ❖ East Bay Alliance for a Sustainable Economy (EBASE)*
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The **East Bay Alliance for a Sustainable Economy (EBASE)** convenes and is a member of ONWRD. EBASE advances economic and social justice by building power and raising standards for working families. EBASE envisions an economy that works for working people. In our vision, all workers—from nurses to teachers to janitors, housekeepers and grocery clerks—earn enough to live in dignity. All workers enjoy respect, a voice on the job, and human and civil rights, irrespective of race, immigration status, gender, or sexual orientation. Prosperity and economic opportunity are broadly shared. Economic development benefits communities and creates family-supporting work. In our vision, a just and sustainable economy is rooted in a vibrant democracy, in which working families and communities exercise their voices in decisions that affect their lives, and hold corporate and government decision makers accountable.

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Executive Summary

Oakland is a place of tremendous assets and unlimited potential. It benefits from being located at the center of the Bay Area—one of the most desirable regions to live and do business in the country. And yet, Oakland struggles with profound challenges. Despite the region's wealth, and significant numbers of affluent residents, stark income inequality, widespread poverty and racial disparity are facts of life in Oakland. Not least of its challenges, Oakland struggles to attract desirable economic development.

Development—be it condominiums, grocery stores, offices or warehouses—is one of the most frequently debated issues in Oakland. "Economic development"—defined broadly as government stimulation of economic activity—can be a powerful force to help address the pressing needs of working families, create healthy communities, and revitalize cities and regions. However, if it is pursued without standards and

without a guiding strategy, development can create as many problems as it solves.

If the benefits of growth in these areas are to be broadly shared, it will require use of government tools...to maximize the benefits and mitigate the costs of development.

The organizations of ONWRD believe that a vibrant economy and growth with community benefits are within Oakland's reach. A narrow approach to economic development focused solely on revenue generation and business growth will miss an opportunity to capture that growth to create good-paying jobs and

move residents into sustainable employment. To put Oaklanders to work, especially those with barriers to employment, the City needs a new, comprehensive strategy for economic development that prioritizes the needs of Oakland residents. A strategy to create a vibrant economy needs to be based on a comprehensive approach to development, clearly articulated guiding principles and an ambitious, concrete goal. It must conduct rigorous data and analysis, apply consistent criteria for prioritizing sectors and projects, and employ the full range of economic development tools available to local government.

Achieving such a strategy will require the collaboration and contributions of the full range of stakeholders in Oakland: business, government, labor, education, community groups, and Oakland's workers and residents. This report is put forward as one such contribution.

Report Highlights

The Current Situation: Oakland's Economic Conditions, Workforce, and Jobs

Resident conditions

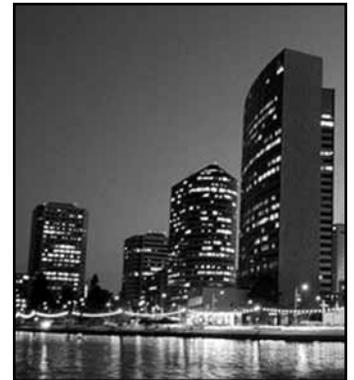
- ❖ **Many of Oakland's residents live in entrenched poverty**, with over 2 in 5 individuals living in economic hardship (42% have incomes at 200% of the Federal poverty level or below)—affecting approximately 156,000 people.
- ❖ **The proportion of Oakland residents who are “housing cost burdened”—spending more than 30% of their household income on housing costs—escalated dramatically between 2000 and 2006**, even prior to the current foreclosure crisis. Housing burdened renters rose from 42% to 52%, and housing burdened homeowners shot up from 32% to 51%. Today, a majority of Oaklanders—renters and homeowners alike—are housing burdened.
- ❖ **Income disparity in Oakland is significant:** the richest 20% of Oakland's households claim more than half (52%) of the income in the city while the poorest 20% of households claim only 3% of the pie.
- ❖ **Unemployment levels are high:** Oakland in 2006 had an official unemployment rate between 6.9% and 8.8%, amounting to approximately 13,300 to 17,075 people who are unemployed. Unemployment is also experienced differently by different racial groups: African Americans have almost 4 times the unemployment rate of whites (17.2% versus 4.5%), and a higher unemployment rate than the overall unemployment population (10.3%).

Jobs held by residents

- ❖ **The job status of working Oakland residents is profoundly mixed:** while 40.5% of Oaklanders work in high-wage management, profession, and related occupations at a median hourly wage of \$29.77, another 19.1% work in low-wage service occupations earning a median hourly wage of \$11.07.
- ❖ **Many residents who are working are still in poverty.** Almost 22,000 Oakland residents (21,763) working full or part-time still ended up below the poverty level. This means of all those in poverty, almost half (46.6%) were working individuals.

Jobs in the region

- ❖ **Over the next five years, the East Bay will produce approximately 48,450 net new jobs.** Of those new jobs, 17.0% will be in traditionally high-wage (but relatively inaccessible) Professional, Scientific, and Technical Services (including Biotech) jobs, 15.3% will be in the Health Care profession, which has a mix of high- and low-wage jobs, and 10.7% will be in the majority low-wage Retail sector.





- ❖ Of the total net new jobs in the East Bay, **43,890 jobs will require a bachelor's degree or less education**—what we refer to as “accessible new jobs.” Given the levels of educational attainment, these are the subset of jobs that are the most likely to employ the majority of Oakland residents. Over half (55.4%, or 24,320) of these accessible new jobs will require education up to and including a high school degree.
- ❖ **Only 32% of the accessible new jobs will pay enough to lift a family of four out of poverty without public assistance**—also known as the regional Basic Family Wage of \$18.53 (as determined by the California Budget Project). A third (33.3%) of the new jobs are in low-wage, high-growth industries, such as food and beverage servers, and home health aides.
- ❖ If Oakland is successful in moving over 10,000 “high need” residents into sustainable jobs, this could help reduce Oakland’s unemployment rate, rate of working poverty, and marginally attached worker rates 25% each.

The Opportunity: Promising jobs for local residents

We assessed six industry sectors—Retail, Trade and Logistics, Health Care, Biotech, Green Jobs and Food Manufacturing—against three criteria—viability and collateral benefits, job quality, and accessibility and opportunity for advancement. This analysis can inform the types of jobs Oakland should attract and grow. Each sector has unique strengths and challenges:

- ❖ **Retail** jobs are relatively accessible, and retail development provides tax revenue and neighborhood services. At the same time, retail jobs are among the worst in job quality, and offer little opportunity for advancement.
- ❖ **Trade and Logistics** jobs are likely to be highly accessible to Oakland residents, provide good quality jobs with benefits, and build on Oakland’s historic strengths and competitive advantages. However, successfully growing this sector will require concerted action by the City and the Port. Also, the widespread use of subcontracted contingent labor in this sector is a concern.
- ❖ The **Biotech** industry is rapidly growing and has significant economic multiplier effects. However, the high-wage, high-skill jobs it creates are out of the reach of most Oakland residents, while the low-road, subcontracted industries that service biotech facilities, including food service and janitorial companies, raise significant concerns of job quality.
- ❖ **Health Care** jobs are above average in quality, offer significant opportunity for advancement, are rapidly growing, and provide a critical public service. However, growth in the long-term care sector means that lower labor standards and the lack of opportunities for advancement need to be addressed.

- ❖ The emerging **Green** Jobs sector or cluster is experiencing a surge of private investment, and excitement about its environmental benefits and economic ripple effects is high. Preliminary analysis suggests that it also has significant potential to create high-quality jobs that are accessible to Oakland residents. However, because this sector is relatively new, it is imperative that Oakland’s government and private sector collaborate to not only grow the sector, but to ensure its opportunities are accessible to Oakland residents.
- ❖ The **Food Manufacturing** sector has tremendous potential to employ Oakland workers—including those with the highest barriers to employment—in family-sustaining jobs with opportunities for advancement. Oakland is also well-positioned to compete for growth in this sector. However, food manufacturing is rapidly changing and highly competitive. Without focused support from the City of Oakland—including protecting industrial land and providing businesses with worker training and business development support—Oakland will likely see more opportunities in this sector disappear.
- ❖ Many of the sectors analyzed in the report already have a **strong potential to grow in Oakland**—either because the sector is already concentrated in the Bay Area, is a top growing sector in the East Bay, or has the potential for Oakland to capture a share of the regional market. However, the city will need to **use the entire range of economic development tools it controls**—including land use approvals, redevelopment powers, business services, and workforce training—in a deliberate way to direct businesses to Oakland, and to connect residents and workers to better jobs.
- ❖ Four out of the six sectors analyzed have an **identified “low-road” component**—low wages and benefits, dead end jobs, and use of temporary agencies or underpaid subcontracted work—that is of significant concern. If the benefits of growth in these areas are to be broadly shared, it will require use of government tools such as labor standards policies, local hiring requirements, workforce development supports, and community benefits provisions in development agreements to maximize the benefits and mitigate the costs of development.
- ❖ In each of the sectors in this study, there are **successful models that connect existing residents and workers to new quality jobs**, including local hire and job connection programs, concrete job ladders, and ongoing training and support to ensure job retention. Whether these programs are labor-management partnership training funds in health care, pre-apprenticeship training programs in green construction, local hire programs for better paying retail jobs, or biotech training academies, they need both institutional support and partnerships between businesses, community colleges, public schools, labor unions, and community groups. Whether such collaboration takes place will ultimately determine how much Oaklanders have access to new jobs that grow in the city as a result of economic development.



Recommendations: ONWRD's 3-Point Approach to Putting Oakland to Work

1) Commit to an ambitious, concrete goal.

- ❖ Commit to moving **25% of Oakland's high-need residents—10,000 people—into family-sustaining jobs** over the next five years. Prioritize putting to work residents who often do not benefit from narrow approaches to economic development.
- ❖ Without intervention from cities and local jurisdictions, the region will continue to create jobs that will not support a family. Therefore, the City should do its part by attracting good quality jobs and **setting a goal to increase the proportion of accessible new jobs paying a Basic Family Wage (\$18.53) from 32% to 50%** over the next five years.

2) Prioritize creating jobs that meet Oaklanders' needs.

- ❖ The starting point for advancing shared economic prosperity should be clear criteria for prioritizing sectors that will grow in Oakland and that will meet Oaklanders' needs. These include:

Viability and collateral benefits

Job quality

Accessibility and career ladders, especially for "high barrier" workers

- ❖ The City should **establish and enforce policies to raise the bottom**, like responsible contractor and living wage laws. As the City uses public resources to grow selected industry sectors, the City should attach basic standards for wages and benefits, workers' rights on the job, and protection of public investment—either through policies or through individual project agreements.

3) Expect more from development projects.

- ❖ The City should **promote high labor standards, training, and local hire requirements in construction employment**. Construction-based Project Labor Agreements (PLAs) are one way to ensure strong building and worker standards. PLAs can include not only wage and benefit standards, but also **requirements and processes for hiring local residents**.
- ❖ The City should also **ensure high labor standards and local hiring for developments that create permanent jobs**, such as janitors and security guards in office buildings, clerks in stores and warehouses, and forklift drivers at warehouses. These developments should be expected to pay living wages, provide health benefits, respect workers' rights, and hire locally.
- ❖ For both construction and operational jobs, the City should **create a mechanism to provide greater funding for workforce training and job preparation**, and prepare the Oakland workforce to build and operate new development projects.
- ❖ The City must **evaluate proposed projects**—whether condominiums, stores, or warehouses—on how they will affect the surrounding neighborhoods and meet the City's goals and strategic approach. This should include **reviewing the number of jobs, their wage level, and the training required for any jobs created** by the new project.

1. Introduction

Oakland's Opportunity and Challenge

Oakland is a place of tremendous assets and unlimited potential. It benefits from being located at the center of the Bay Area—one of the most desirable regions to live from the perspectives of quality of life, climate, natural beauty, culture, and diversity. Oakland's residential and commercial real estate, though escalating rapidly in cost, is still more affordable than neighboring cities like San Francisco, San Jose and Berkeley—historically offering a refuge to urban dwellers and businesses priced out of those markets. Oakland also has many attractive features as a place to work and do business: a hub for transportation and goods movement, the home of the fourth largest container port in the United States, and a network of extensive public infrastructure. Being in the Bay Area—a center of global trade, finance and technology—Oakland has access to significant wealth in capital markets, private investment and philanthropy. Equally impressive is the social and technological capital situated in major national universities, community colleges, private research institutions, and non-profit intermediaries. Access to the Bay Area's skilled labor force and affluent, educated consumer markets are also major draws. Last but certainly not least, Oakland boasts a rich history, a thriving home-grown arts scene, and a diversity of neighborhoods. With more than 150 languages spoken here, many of us are proud to call Oakland home.

And yet, Oakland struggles with profound challenges. Despite the region's wealth, and significant numbers of affluent residents, stark income inequality and widespread poverty are facts of life in Oakland. The crisis of street violence plaguing many of America's underinvested inner cities has exacted a high toll on residents and communities. Far too many students, particularly low-income students and students of color, are failing in or dropping out of Oakland's public schools. The underside of Oakland's proud industrial legacy includes contaminated land and polluting industry sectors sited next to low-income communities. Meanwhile, many Oakland residents face significant barriers to accessing employment and economic opportunity.

Not least, Oakland struggles to attract real estate and economic development. Communities, city officials and residents have sought for years to create stable neighborhoods, promote access to services and amenities, revitalize the downtown, redevelop the Oakland Army Base, draw investment back to Oakland's flatlands, and make the waterfront an attractive destination. At the same time, national fluctuations and local trends in the real estate market have burdened, squeezed, and even pushed out some long-term residents and businesses.

Which Direction for Development?

Development—be it condominiums, grocery stores, offices, or warehouses—is one of the most frequently debated issues in Oakland. There is broad consensus from a range of stakeholders that Oakland needs more development to bring



opportunity and investment, and better development to serve a range of needs from job creation and neighborhood services, to much needed housing production and building tax revenue. How best to achieve that development, what form it should take, and what Oakland's development goals and priorities should be are areas of greater debate.

Since taking office, Mayor Ronald V. Dellums has made a new approach to development one of his key priorities. The Mayor's approach to development is characterized by an interest in economic growth that creates opportunities for a wide range of Oakland residents; or as the Mayor has termed it, "a vibrant economy." Prioritizing jobs and industry sectors represents a significant departure from the near-exclusive focus of former Mayor Jerry Brown on attracting new high-income residents through development of high-end housing and amenities.

Mayor Dellums has also called for the City to take a more integrated and long-term approach to development, moving from a developer-driven patchwork of projects to a consistent set of priorities and policies. "My constant refrain has been we need to have a comprehensive vision of where we're trying to go. When you're only moving on the basis of one project at a time, you're never taking the long-term view of where you want to go," Dellums said just last month in a newspaper article. This commitment has been tested through a series of high-profile decisions and debates on inclusionary housing policy, disposition of industrial land, creation of new zoning maps, and consideration of major proposed projects.

Convened in the fall of 2006, the Mayor's Community Task Forces involved hundreds of Oakland residents from all walks of life in developing proposals for meeting Oakland's most pressing needs. Many of these citizen advisory bodies focused on aspects of new development, including nine economic development topics. A wide range of Task Forces produced recommendations that echoed common themes: a more comprehensive, inclusive, and transparent planning process; a comprehensive economic development strategy focused on reducing poverty and increasing social equity; prioritizing development of "green" (i.e., environmentally-sensitive or remedial) industries; expanded workforce development and training; and a more proactive approach to small business development.

Oakland's businesses have also weighed in favor of a new economic strategy. The Oakland Metropolitan Chamber of Commerce (OMCC) released a study of Oakland's economy, commissioned by the OMCC and conducted by McKinsey and Associates, at the Mayor's Economic Summit in May. The McKinsey study recommends creating a strategy focused on growing and expanding specific industrial sectors, like health care and logistics. The study helped launch the Oakland Partnership, a collaborative of business, labor, education, and government representatives charged with creating proposals to expand key industry-based clusters.

Oakland voters want development, community benefits

Where do Oakland voters stand in the debate about development? In 2006, the Oakland NetWork for Responsible Development (ONWRD, then known as the Oakland Development Policy Round Table) commissioned the first scientific poll that asked Oakland voters' opinions on a range of development issues. The results were striking. There was strong support for development in Oakland: the overwhelming majority of voters thought that the amount of development in Oakland was about right (44%) or that more was needed (32%), with only 14% saying there is too much development. At the same time, Oaklanders strongly supported being selective about development and expecting more from developers and development projects. An overwhelming eighty-two percent (82%) of voters polled supported requiring community benefits such as living wage jobs, affordable housing, and local hire requirements from development projects. When asked directly about the perceived risk of "driving away developers" through such requirements, seven in ten voters (69%) said that Oakland can afford to place such requirements, while only 17% agreed with the argument that requiring benefits will drive away development. In sum, Oakland residents strongly support more development, and they want it to come with real benefits.

This challenge—economic development that creates a vibrant Oakland economy, while providing concrete, broadly shared community benefits—animates the work of the Oakland NetWork for Responsible Development (ONWRD). ONWRD is a broad alliance of 13 progressive community, labor, environmental, and housing organizations, each of whom has advocated around development policy and projects in Oakland for many years. In 2005, ONWRD groups set out to transform the "rules of the game" for development, to put community and worker needs first, and to create better outcomes for all Oaklanders.

Economic development

"Economic development"—defined broadly as government stimulation of economic activity—can be a powerful force to help address the pressing needs of working families, create healthy communities, and revitalize cities and regions. It can create family-supporting jobs and facilitate access to those jobs for low-income communities historically "locked out" of economic opportunity. It can help meet the critical demand for decent, affordable housing. It can result in the construction of facilities that provide the essential services of education, childcare, health care, parks, and open space. It can clean up toxic sites for reuse and remedy environmental injustice. And finally, economic development can strengthen the infrastructure and tax base of cities that have been "hollowed out" by suburban migration, and build livable communities from the urban core to the suburban fringe.

However, economic development can also make social and regional inequality worse. It can fuel growth in the low-wage service sector, exacerbate the "hourglass economy," and sharpen the divide between the top and the bottom of the income scale. It can drive up housing costs, displacing long-term residents from their

communities. Short-sighted economic development policies can divert scarce public funds away from community services and towards corporate subsidies, without any concrete community benefit outcomes. Lack of coordination can heighten the competition between cities and suburbs for tax-generating businesses and worsen sprawl. Additionally, economic development can simply shuffle the chronic problems faced by inner-urban communities around the region. When confronted with the deep-rooted challenges experienced by low-income, people of color, and working class community residents, many economic development strategies respond, not by trying to solve the problems, but by trying to change the residents—bringing in new, affluent professionals while (either deliberately or by omission) making the “new city” unlivable for long-time residents. A recent San Francisco Foundation study on development showed that perceived disparities about who benefits from economic development are a real source of growing and unaddressed racial tensions. In short, economic development can be either a boon or a bust for communities.

A new path forward

The organizations of ONWRD believe that a vibrant economy and growth with community benefits are within Oakland’s reach. We have seen, in Oakland and in other cities, the outcomes of development pursued without a clear and comprehensive purpose. Traditional economic development focused narrowly on revenue generation and business growth alone miss an opportunity to capture that growth to create good-paying jobs and move residents into sustainable employment. To put Oaklanders to work, especially those with barriers to employment, the City needs a new, comprehensive strategy for economic development that prioritizes Oaklanders’ needs.

This report is one step towards such a strategy for Oakland. Section 2 describes the elements necessary for a successful economic development strategy—from identifying values and guiding principles to setting a goal, establishing criteria, and using local government tools—and explains ONWRD’s approach to each element. Section 3 provides an analysis of the current situation for Oakland residents and identifies those residents with the highest barriers to obtaining jobs. In Section 4, we analyze six industry sectors currently being considered in Oakland—health care, retail, trade and logistics, biotech, green economy, and food manufacturing—according to three criteria based on ONWRD’s principles for economic development. In the fifth and final section, we provide our recommendations for how the City of Oakland can move forward with a new, comprehensive strategy for putting Oakland to work.

2. A Comprehensive Strategy for “Putting Oakland to Work”

A vibrant economy and growth with community benefits can not be achieved by accident. Oakland and other cities have shown the outcomes of development pursued without a clear, comprehensive strategy. Furthermore, traditional economic development focused only on revenue generation and business growth will not do enough to create good-paying jobs or move residents into such jobs. To harness economic growth to put Oaklanders to work, Oakland needs a new comprehensive strategy for economic development that prioritizes Oaklanders’ needs.



In this section, we outline the components we believe any comprehensive economic development strategy must include. Here and throughout the report, we recommend some specific elements (including goals and criteria) that ONWRD believes Oakland should adopt as part of a comprehensive economic development strategy. We believe strongly that these proposals would work for Oakland. At the same time, we consider them to be a starting point, and part of a policy dialogue and development process that includes Oakland’s key stakeholders: business, government, community groups, educational and civic institutions, and Oakland’s residents and workers.

To bring about a vibrant economy, ONWRD believes the following are crucial pieces in any successful economic development strategy:

- a. A comprehensive, integrated approach
- b. Guiding values and principles
- c. An ambitious, concrete overall goal
- d. Rigorous data analysis
- e. Consistent criteria for prioritizing sectors and projects
- f. Integrated use of government tools to shape economic growth and development

a. A comprehensive, integrated approach

Economic development is principally focused on stimulating economic activity—the growth of business and employment. However, economic development cannot take place in a vacuum. Any vibrant city needs not only a balance of affordable housing and quality jobs, but also healthy, stable neighborhoods, successful schools, safe streets, access to needed services, and adequate transportation and infrastructure. The interconnection between these issues is not theoretical, but both immediate and practical: a business is unlikely to locate in a community that it or its employees see as unsafe, blighted, polluted, lacking a skilled workforce, or incapable of providing a quality education for the children of employees.

Numerous studies of site-selection decisions by business have found that factors like school quality, workforce access, and infrastructure often outweigh immediate financial considerations like economic development subsidies.

Oakland residents see the interconnection between these issues every day: entrenched unemployment and underemployment plague neighborhoods, driving

criminal activity and burdening struggling schools. Businesses and services shut down and move away. Families are forced to make tough choices about leaving their long-time communities in search of more affordable housing, safer neighborhoods, closer job opportunities, and better schools.

ONWRD believes that a strategy for “putting Oakland to work” must be connected to parallel strategies for creating affordable housing, quality schools, public safety, adequate transportation and infrastructure, neighborhood services, and environmental health. A vibrant economy must be rooted in sustainable Oakland communities.

b. Guiding values and principles

How a city chooses to pursue economic development, and what it considers to be successful outcomes, largely depends on what it cares about and its values. In pursuing a new economic development strategy, a city should be explicit about its values and create a strategy rooted in such values. In elections, through opinion polling, or in public forums, the overwhelming majority of Oakland’s residents express “liberal” or “progressive” values. Core values of the Oakland electorate include:

- ❖ **Economic Justice.** Oakland residents believe that economic opportunity and prosperity should be broadly shared, that work should pay, and that policies that effectively tackle poverty and inequality are positive, such as “living wage” measures or remedial social programs.
- ❖ **Social Equity.** Oaklanders are concerned with fairness, opportunity, and well-being for all social groups, including those that have historically been discriminated against, exploited, or disenfranchised, including people of color, recent immigrants, low-income people, and low-wage workers.
- ❖ **Environmental Stewardship.** Oakland residents are concerned about destruction and pollution of the natural environment, and support environmental protection and restoration. At the intersection of social equity and environmental protection is the principle of environmental justice: that a disproportionate burden of pollution and environmental degradation should not be placed on people of color, low-income people, or their neighborhoods and communities.
- ❖ **Proactive Role for Government.** The people of Oakland believe that government can play a positive role in advancing the public good. Voters support government programs and interventions that they see as effective.
- ❖ **Democratic Inclusion, Transparency and Accountability.** While supporting a proactive role for government, Oaklanders expect government agencies and policy makers to be responsive to and inclusive of the opinions of constituents, and generally support policies that they see as strengthening democratic participation, countering corruption, and holding decision-makers accountable.

Of course, values are only important if they are applied to and acted upon in real-world situations. ONWRD created the following “Principles of Responsible Development,” which apply the values described above to the arena of development policy:

- ❖ Economic development should have as its primary goal the reduction of poverty and social inequality through the creation of economic opportunity for disadvantaged communities.
- ❖ Economic development policies and programs should recognize and respond to the particular housing and employment challenges faced by people of color and immigrants.
- ❖ Economic development decisions should be based on an informed assessment of the critical needs of communities and the impacts— positive or negative—of proposed projects on those needs.
- ❖ The individuals and institutions most affected by economic development decisions should be meaningfully engaged in every stage of the economic development decision-making process.
- ❖ Meaningful stakeholder involvement extends beyond the opportunity to speak at public hearings: we must ensure that stakeholders have both the information and the capacity to effectively participate both in the development decision-making process and in creating a vision for how development should happen.



It is critical that any economic development strategy reflect and be aligned with the community’s values and principles. Otherwise, it is unlikely to garner the broad public support needed to be effective. This alignment of values and principles need not be lengthy or complex, but it is critical for setting and guiding the strategy’s direction. In moving forward, the City must articulate and communicate, internally and externally, guiding values and principles that reflect the electorate’s values and inform Oakland’s economic development strategy.

c. An ambitious, concrete overall goal

How a city measures the success of its economic development depends largely on what it hopes to achieve in the first place. Different approaches can yield dramatically different results. For example, a strategy focused principally on pursuing retail outlets might succeed in growing the city’s tax base, but fail to employ large numbers of residents in family-sustaining jobs. Mayor Jerry Brown’s stated goal of attracting 10,000 new residents to the downtown area may have been achieved, but ultimately at the expense of housing affordability and income equality (as discussed further in Section 3 of this report).

At the same time, there is no doubt that articulating—internally and externally—a goal for the City’s economic development plays an important role in focusing priorities, resources and momentum. It also provides an important tool for

measuring progress and evaluating options. A goal—more even than stated values and principles—is at the heart of an economic development strategy. But what goal would make sense for Oakland’s strategy?

Participants in the Mayor’s Economic Summit and the Oakland Partnership have discussed the idea of setting a new goal: creating 10,000 new jobs in Oakland, or “10K Jobs.” The focus on growth of employment reflected in this proposal is a welcome counterpoint to the near-exclusive focus on developing high-end housing and attracting high-income residents that constituted the City’s strategy over the eight years of the Brown administration. However, framing a goal solely around net growth of jobs obscures critical questions, such as: What kind of jobs? And for whom? Again, it is possible that Oakland could achieve its stated goal but fail to address the fundamental needs and challenges of Oakland’s residents and workers.

Based on our analysis in Section 3 of this report, ONWRD recommends that Oakland set a goal to move a substantial proportion of Oakland’s highest-need residents and workers—the unemployed, workers in poverty, and those considered “discouraged unemployed” or “marginally attached” to the workforce—into living wage, family-sustaining jobs over the next five years. Employing 25% of Oakland’s highest-need residents would require connecting residents to 10,681 employment opportunities. Oakland is projected to produce 48,450 net new jobs over the next five years. The City’s focus should be on maximizing the quality of these jobs and their accessibility to residents with the greatest needs.

The Case for Quality Jobs

At the core of this report is the issue of job quality—jobs that not only provide employment, but also provide wages that sustain families without public assistance, access to important benefits like health insurance and pension, and safe, healthy and family-friendly working conditions. In development debates in Oakland and beyond, some argue that “any job is a good job,” and that creating large numbers of jobs of even the poorest quality is a net positive for Oakland. We disagree and believe that creating high quality jobs must be a top priority for economic development policy.

In and around Oakland, the market is creating large numbers of jobs at the bottom without government assistance or intervention. If government is going to use public resources to support job creation, the public should expect more from our investment than the subsidizing of low-quality jobs already growing in the market.

The case for an emphasis on job quality is clear:

- ❖ **Low-quality jobs place a burden on low-wage workers.** When workers earn wages that barely cover basic living costs and employment-related expenses like childcare and transportation, and when they are unable to get preventative health care, they are less likely to hold a long-term job. A single personal crisis or illness can be enough to drive a worker into extreme debt or make it literally impossible to get to work. The line between working poor and unemployed can be extremely thin.

- ❖ **Low-quality jobs shift costs onto government.** When working families earn wages that do not adequately cover basic expenses, they often turn to government assistance for affordable housing, public health care, and other public assistance. In essence, low-wage employers externalize the costs of maintaining a stable, healthy workforce onto government. Given the urgent, increasing demands placed on local government, cities should pursue policies that will not place further burdens on our fragile public infrastructure.
- ❖ **Low-quality jobs are too often dead-ends.** Some argue that creating low-quality jobs provides “entry-level” positions necessary to help low-skill workers, especially young workers, gain baseline work experience. However, occupational mobility within and between low-skill sectors are extremely limited. Often, occupations with the lowest wages, such as retail clerks and janitors, show little opportunity for advancement. This results from both a lack of mid-level positions available in low-wage sectors, and because there is little support and few trainings that actually build new skills. Creating concrete job ladders in the retail sector would entail significant restructuring, commitment, and resources on the part of retail companies—not likely in the current environment. Workers leaving these positions often find equally low-quality jobs. All too often, “entry-level” jobs are final destinations.
- ❖ **Low-quality jobs can actually drag down wage and benefit standards in industries.** When “high-road” employers that pay decent wages and provide benefits are forced to compete with rivals who slash prices by slashing wages and benefits, it exerts downward pressure on wages and benefits across entire industries. This “race to the bottom” effect has been extensively documented with the entry of Wal-Mart into the retail grocery market.
- ❖ **There is broad public support for quality, living wage jobs.** When voters in California and Oakland have had an opportunity to weigh in on policy measures that raise wage and benefit standards, such as State minimum wage increases or local living wage policies, they have enthusiastically supported them. For example, seventy-eight percent (78%) of Oakland voters supported a ballot measure to require businesses operating at the Port of Oakland to pay a living wage. The overwhelming majority of Oaklanders believe that hard work should pay a decent wage.
- ❖ **Income disparities disproportionately impact people of color, who are a majority of Oakland’s population.** Historically, communities of color have continued to suffer economically even during times of relative prosperity. In a city as racially and ethnically diverse as Oakland, rising inequality trends are particularly troublesome. As demonstrated in this report, wages earned at low-quality jobs—mostly by people of color—are currently insufficient to provide a decent standard of living.



ONWRD recognizes that it can be challenging to attract and develop high-quality jobs. Too few industries offer jobs at living wage with health benefits and career ladders, and fewer still offer jobs that are accessible to Oakland workers. In Section 4, we profile a few promising sectors—some of which provide both job access as well as job training. Oakland should use its economic development tools to raise standards in low-quality sectors, as well as invest in and attract good jobs that have both entry-level opportunities as well as real upward mobility.

d. Rigorous data and analysis

Achieving better outcomes for economic development requires high-quality data and analysis to define the scope of the problem, opportunities, and potential interventions. The OMCC/McKinsey report, the City of Oakland’s retail study, and other existing research provide useful starting points for analysis. Sections 3 and 4 of this report represent additional contributions to the body of knowledge, specifically focused on analyzing Oakland residents employment and economic needs, the opportunities and risks of pursuing particular sectors, and advancing proposed goals and criteria. ONWRD believes that additional research should be undertaken—whether by government, business, public-private collaborations like The Oakland Partnership, or academic and non-profit research entities- in key areas where there are gaps in available data and analysis. Such gaps include more comprehensive research on priority sectors, workforce development needs, and specific economic development needs and barriers in Oakland’s diverse neighborhoods.

e. Consistent criteria for prioritizing sectors and projects

The core of economic development activity is the attraction, retention, promotion, and growth of businesses in specified industries or clusters of industries (referred to in this report as sectors). Traditional approaches to economic development have often focused solely on competing for sectors that are rapidly growing, and therefore seen to be attainable. Clearly, attainability is critical: an economic development strategy based on struggling or failing businesses, or ones that are not well positioned to grow in Oakland, is a non-starter. At the same time, not every rapidly growing sector is equally desirable. In particular, not every high-growth sector is likely to advance the goal of moving a significant portion of Oakland’s high-need residents into family-sustaining jobs.

Clarity about which sectors are priorities for Oakland is especially important given that different sectors have different needs, and that policies and projects require making decisions about which needs to prioritize. For example, Oakland will approach updating the City’s zoning map (which specifies what kinds of businesses can operate in which parts of the City) and redeveloping the Oakland Army Base differently if its top priority is growth of retail, health care, or the trade and logistics sector.

In Section 4 of this report, we give a brief overview of six different sectors, each of which has been discussed as a possible “growth sector” for Oakland. We evaluate each sector on three criteria, which we recommend that the City of Oakland use as criteria to evaluate and prioritize industries and sectors:

- ❖ **Viability and collateral benefits:** Is the industry or sector likely to locate and flourish in Oakland? Does the industry or sector provide indirect tangible benefits to Oakland, such as significant economic “ripple effects,” tax revenue, services and/or environmental benefits?
- ❖ **Job quality:** Is the industry or sector likely to provide family-sustaining wages and health benefits?
- ❖ **Accessibility and career ladders, especially for “high barrier” workers:** Is the industry or sector likely to connect Oakland residents to quality entry-level jobs? Is it likely to provide significant opportunity and training for workers to advance up career ladders? Will it provide opportunities for “high barrier” workers like single mothers, those with limited English proficiency, and the formerly incarcerated?



f. Integrated use of government tools to shape economic growth and development

Some argue that local government can do little to influence the local economy, since it is shaped by larger forces at the regional, state, national, and global levels. The importance of larger economic and social forces is undeniable. Nonetheless, within these external forces, local governments have significant influence and numerous tools available to promote and shape economic growth. These tools include:

- ❖ *Redevelopment:* Within designated Redevelopment Areas, cities can use property tax increment financing to fund business attraction and development, build public infrastructure, assemble land, and condemn blighted properties. Few large-scale projects take place in urban areas without Redevelopment Agencies playing some role.
- ❖ *Land use planning and approvals:* Cities have the power to determine appropriate uses and rules for land within their boundaries. They can use this power—in the form of general and specific plans, zoning maps, and variances—to generate, preserve, concentrate, or create particular uses, whether residential, commercial, industrial, or recreational. Cities can also use land use powers to mitigate development’s negative environmental impacts and secure specific community benefits through the entitlement and approvals process.
- ❖ *Business services:* Cities provide staff and resources—such as project planners, loans, and business incubators—to attract, retain, promote, and grow businesses, including small businesses. Such programs can focus on specific sectors such as retail and manufacturing, or on specific geographic areas.
- ❖ *Workforce development programs:* Cities make use of federal, state, city, and private dollars to connect residents who are seeking employment with training, jobs and career advancement. Workforce development programs are most effective when they are connected to targeted employers and growth sectors. Workforce development programs also offer dislocated



workers job training and skills training assistance, including courses for English language learners—to help residents weather economic downturns and prepare for and locate new employment opportunities.

- ❖ *Standards policies:* In recent years, it has become increasingly common practice for local governments to require specific community benefits from businesses that benefit from public resources—such as the use of public land, subsidies, contracts or approvals. Many of these policies address labor and employment standards, including First Source hiring, Living Wage requirements, and Responsible Contractor incentives. Standards policies can also provide community benefits such as inclusionary affordable housing, and fees for child care facilities, transit services, parks and “green buildings,” and environmental cleanup and neighborhood health. These policies apply to projects where there is a clear nexus between the impacts generated by the project and the required mitigations.
- ❖ *Development-specific agreements:* Sometimes standards are set, not through policies, but through project-specific agreements between the local government and an individual developer. Often, these agreements take the form of specific requirements written into Developer Agreements (DAs) and Disposition and Development Agreements (DDAs). Cities can protect their investment in projects by requiring developers to sign “project labor agreements” (for construction workers) and “labor peace agreements” (for employees in operational jobs, such as food servers and retail clerks), that set up a non-conflict process for resolving worker grievances and issues of labor representation. Finally, specific requirements can be written into the development process early on, through standards in Requests for Proposals (RFPs) or Requests for Qualifications (RFQs).

By employing and integrating this suite of tools in the service of a clear set of priorities, cities can have a tremendous impact on the growth and direction of development. In each of these areas, cities can identify action plans and benchmarks to measure progress towards an overall goal. With foresight and planning, cities can begin taking the reins of development, and harness the power of economic growth for residents with the greatest need.

Moving Forward

Oakland’s potential to reinvigorate the economy for the benefit of existing residents is clear. Realizing this potential requires the City to set out on a new comprehensive strategy, based on the values of Oakland’s community and focused on a clear goal to move 10,000 residents into sustainable family-supporting jobs. Such a strategy must be coordinated with parallel strategies for creating affordable resident housing, quality schools, public safety, adequate transportation and infrastructure, neighborhood services, and environmental health and it must be driven by rigorous data analysis.

This section provided an overview of the key elements of a comprehensive strategy for putting Oakland to work, and described ONWRD’s recommendations and approach within each element of the strategy. The next two sections build on a number of these elements: analyzing the current situation for local residents to define a goal, and evaluating six key industry sectors according to the criteria laid out here.

3. The Current Situation: Oakland's Economic Conditions, Workforce, and Jobs

Despite all of Oakland's incredible assets—desirable location, skilled workforce, consumer market, infrastructure, and quality of life—the city and its residents have suffered from urban disinvestment, poverty, and unemployment for years. Business redlining and discriminatory housing and employment practices are just two of a multitude of factors that have created a city where the income and employment disparities by race and by neighborhood are stark.

Too often, economic development strategies try to address the problems of current residents by simply getting new residents. While it is inevitable that successful economic development will attract new residents and change the composition of Oakland, if the city is to meet the needs of "Oakland residents first," then we must understand the struggles facing current residents. Any successful economic development strategy must take into account the objective conditions of the current resident population and workforce.

Disparities by race are presented here because they are a daily reality for residents. As the city embarks on a comprehensive economic development strategy, it will need to grapple with ways to bring racial justice and economic equality to all communities.

This section addresses three areas of current conditions. It starts with resident economic hardship, including existing poverty, unemployment, low educational attainment, and challenges faced by residents with barriers to employment. Then it moves to analyzing the jobs held by residents, assessing the ability of these jobs to support a family. Finally, the last portion of this section analyzes current and projected jobs in the region, to understand the universe of employment Oaklanders can access both now and in the future.

Economic Hardship: Poverty, Income, and Earnings

Oakland's residents live in entrenched poverty, with over 2 in 5 individuals living in economic hardship (42% are at 200% poverty) —affecting approximately 156,000 people. Almost 1/5 (18.8%) live under the official federal poverty rate, which means approximately 70,000 people are facing severe economic hardship. Given the high cost of living in the Bay Area, and that those at the federal poverty level have incomes below \$9,800 for a single person and below \$20,000 for a family of four, we need to understand not only those who are under the federal poverty level, but also those who have incomes double that of the federal poverty threshold. Furthermore, Oakland's residents suffer a higher rate of poverty than residents of the East Bay as a whole.

Table 1: Oakland residents suffering under entrenched poverty

Poverty Rate	Oakland	% Margins of Error(M.E.)	East Bay	% M.E.
100% Poverty	18.8%	1.7%	9.8%	3.7%
200% Poverty	42.0%	5.9%	24.1%	3.1%

Source: 2006 Census American Community Survey

The crisis of poverty affects entire families: nearly 12,500 families in Oakland live in poverty, with over 26,000 children in poverty. Parents’ abilities to earn a living from a quality job affect them, their families, and their children.

Racial dynamics of poverty persist, disproportionately affecting African Americans and Latinos. While roughly one in five (18%) Oakland residents are in poverty, almost one in four African Americans (24.5%) and Latinos (24.3%) are in poverty. Addressing poverty by putting Oaklanders to work will require tackling entrenched racial inequalities.

Table 2: Racial disparities in poverty and income plague Oakland residents

Race	Oakland Poverty Rate		Oakland Median Income		Oakland % Households earning <\$50,000/yr	
	Estimate	M.E.	Estimate	M.E.	estimate	M.E.
African American	24.5%	3.5%	\$32,086	\$2,458	66.6%	3.7%
Latino	24.3%	4.8%	\$39,991	\$4,118	60.4%	5.2%
Asian	18.2%	5.4%	\$43,056	\$4,736	56.4%	4.9%
White	6.7%	1.7%	\$72,433	\$5,048	33.9%	2.7%
Overall	18.8%	1.7%	\$45,552	\$2,106	53.5%	1.8%

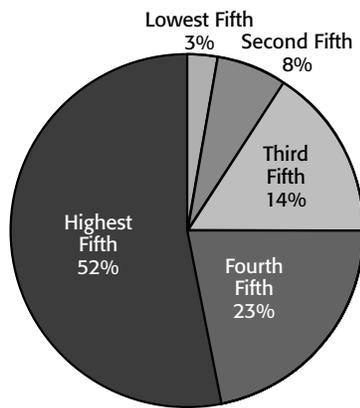
Source: 2006 Census American Community Survey

While housing cost burdens have always plagued Bay Area communities, the increase in **housing cost burden for Oakland residents over the past six years foreshadowed the current foreclosure crisis**. In 2006, over half of all renters (52.0%) and homeowners (51.2%) were considered “housing cost burdened,” paying more than 30% of their household income on housing costs. These figures have risen significantly since 2000, when 42% of renters and only 32% of homeowners were housing cost burdened. A majority of both renters and homeowners are now paying an unsustainable proportion of their incomes toward housing.

Despite poverty and high housing cost burdens, there is significant wealth among Oakland residents—but such wealth is not broadly shared. In an equitable income scenario, each quintile (or 20% of households in Oakland) would claim approximately a fifth (20%) of the aggregate income.

However, in Oakland, **the richest 20% of households claimed more than half (52%) of the total aggregate income in the city, while the poorest 20% of households claimed only 3% of the pie.**

Table 3: Wealth in Oakland not broadly shared



Source: 2006 Census American Community Survey

Like racial inequality, income disparity in a city can contribute to deeper social divisions.

Barriers to Work: Unemployed and Out of the Labor Force

While many residents who are working are still in poverty, **those who are unemployed or not in the labor force show the extent of barriers to entering employment.** In 2006, Oakland had an official unemployment rate between 6.9% and 8.8%, amounting to approximately 13,300 to 17,075 people who were unemployed—defined by the Census as not working but looking for work within the past 4 weeks.

Like poverty, **unemployment is experienced differently by different racial groups.** African Americans have almost four times the unemployment rate of whites (17.2% versus 4.5%) and a higher unemployed rate than the overall unemployed population (10.3%).

Table 4: Stark unemployment disparities by race

Race	Oakland Unemployment Rates			
	% Estimate	M.E.	Estimate	M.E.
African American	17.2%	2.8%	9,081	1,004
Latino	10.2%	3.0%	4,617	773
Asian	8.0%	3.0%	2,127	515
White	4.5%	1.5%	2,587	552
<i>Overall</i>	<i>10.3%</i>	<i>1.3%</i>	<i>17,075</i>	<i>2,155</i>

Source: 2006 Census American Community Survey

Oakland’s youth who are attempting to enter the paid labor market have a significantly higher unemployment rate than those 25 years old and above.

Table 5: Youth especially burdened by unemployment

Age	Oakland Unemployment Rate	M.E.
16-24 yrs	24.9%	3.9%
25-44 yrs	8.2%	1.0%
45-59 yrs	8.8%	1.2%
60+ yrs	6.4%	1.9%

Source: 2006 Census American Community Survey

However, official unemployment rates fail to capture the magnitude of joblessness for Oakland residents. Most economic development strategies only focus on the unemployed, but there is a wider universe of people who would work that are not even counted in official statistics. Those discouraged by the job search process and no longer looking for work—part of those termed “marginally attached” to the labor market by economists—are considered out of the labor force, along with full-time students, retired people, and stay-at-home parents. Those who are marginally attached to [not from] the labor force are defined by the Bureau of Labor Statistics as not currently working, indicate they would work if given the opportunity, and give some labor-market reason for why they are not currently looking for a job.

Using a proportion derived from national data, we arrive at an estimated 20,490 residents, or 31.7% of those not in the labor force, who are “marginally attached” to the labor force.

The unemployed population combined with “out of labor force” population are a **truer estimate of resident joblessness**, or those out of work who want to work and could work given the right conditions. These are “high need” residents in Oakland who, with significant support and a concerted jobs strategy, could move into jobs in the labor market.

Educational Attainment: Poor outcomes contribute to unemployment and poverty

The role of education or educational attainment is one of several factors that affect a resident’s chances of successfully entering the job market or moving up in employment. An examination of the full and complex set of factors—which include labor market demand and labor discrimination—is beyond the scope of this paper. However, understanding the current conditions of residents, education requirements for certain jobs, and the education levels of those currently working in certain sectors can inform how best to target city job training and intervention strategies.

Many of the unemployed have limited educational attainment. Of the total unemployed population between ages 25 and 64, **more than half (59.0%) have less than a bachelor’s degree.**⁶ Twelve percent (12%) of those with a high school degree or equivalent are unemployed.

Entrenched poverty and unemployment conditions are linked to **the overall lower educational attainment for Oakland residents**. It is significant to note that 23.6% of Oakland’s population has less than a high school degree, compared to 13.6% of the East Bay population.

Table 6: Oakland’s educational attainment rate lower than East Bay’s rate

Educational Attainment (25yrs+)	Oakland				East Bay			
	Estimate	M.E.	%	% M.E.	Estimate	M.E.	%	% M.E.
Less than High School	59,923	2,646	23.6%	4.4%	223,229	4,985	13.6%	2.2%
High School diploma and some college	110,650	3,242	43.6%	2.9%	796,320	8,233	48.4%	1.0%
Bachelor’s Degree or higher	83,189	2,568	32.8%	3.1%	625,171	6,578	38.0%	1.1%
<i>Total population</i>	<i>253,762</i>				<i>1,644,720</i>			

Source: 2006 Census American Community Survey. Percentages may not add up to 100% due to rounding

In examining the current workforce system, **a majority (53%) of those who utilize the city workforce “One-Stop” centers have a high school diploma or less education**—35% have a high school diploma or equivalent, and 18% have an 11th grade education or less. The downtown Oakland One-Stop Career Center provides a range of services, from resource libraries, use of telephone, fax, and copy machines, individual job coaching, and periodic job fairs, to resume writing workshops, computer classes, GED preparation.⁷ The high proportion of those with a high school degree or less provides more evidence that an economic development strategy needs to target those with limited educational attainment.

When educational attainment is analyzed by race, over half of Latinos have less than a high school degrees as do 36% of Asians Americans. Sixty-seven percent (67%) of African Americans have a high school diploma and some college. (See Appendix D)

The **high school drop-out rate in Oakland reveals significant racial disparity** in educational attainment. Any economic development strategy must seek to reduce drop out rates, and implement training programs that connect students with training in targeted sectors early on.

Out of those who designated a single race, **African Americans had the highest drop-out rates (9.6%)**, followed by American Indians (9.4%), Filipinos (6.7%), and Pacific Islanders (6.5%)—compared to an overall Oakland school district drop-out rate of 7.2% and county rate of 3.2%.

Table 7: Drop out rates by race and ethnicity

Ethnic Group	One Year Rate (Grades 9-12)
American Indian	9.4%
Asian	4.4%
Pacific Islander	6.5%
Filipino	6.7%
Hispanic	4.7%
African American	9.6%
White	5.5%
Multiple Race/No Response	15.3%
<i>District Total</i>	<i>7.2%</i>
<i>County Totals</i>	<i>3.2%</i>
<i>State Totals</i>	<i>3.5%</i>

“High Barrier” populations: Reaching those who face significant challenges to employment

Moving unemployed and marginally attached workers into the labor force—particularly those with a high school diploma or less—will take a significant commitment and investment of resources. The challenge is even greater when residents have additional needs and barriers. Any economic development strategy that is targeted at the greatest need should include a strategy to provide job opportunities for “high barrier” and disadvantaged populations. These include **single mothers, formerly incarcerated workers, and first generation immigrant workers for whom English is a second language.**

Connecting single mothers, who are the majority of single parents, and those who struggle the most economically, with affordable childcare and predictable and reasonable hours takes time and a commitment to make the job connection work. **Almost half of the female-headed households in Oakland live in poverty (49.2%)**—in part because of chronic wage inequality between men and women, but also because of specific barriers to sustained employment for single parents.

First-generation immigrants who work face multiple challenges, including limited English proficiency at work. **Twelve percent (12%) of households in Oakland are linguistically isolated.** Of those households, 35.3% speak Spanish, and 45.5% speak an Asian or Pacific Islander language in their homes.⁸ Job programs and services that offer language translation and English coaching and tutoring will be more effective in reaching recent immigrants entering the Oakland workforce.

Likewise, supporting formerly incarcerated residents in their re-entry process takes much more than just an open job. According to research conducted by the Urban Strategies Council, **1,508 parolees lived in Oakland in 2005, and 9,157 probationers lived in Oakland as of August 2007.** Parolees need immediate financial and employment assistance upon release, on-going job support during employment, and help accessing job ladders to sustainable wage jobs with health care.⁹ While the challenges abound for helping this population join the workforce, if successful, the positive benefits include creating safe communities and positive alternatives to employment in criminal activity.

Working residents: A mix of high and low-wage sectors

In 2006, Oakland had 170,901 working adults, in a mix of high and low-paying sectors.¹⁰ The top 5 industries in which Oaklanders work are: educational services and health care and social assistance (23%); professional, scientific, and management, and administrative and waste management services (15%); retail trade (11%); arts, entertainment, recreation and accommodation and food services (9%); and construction (9%). While some sectors provide good wages, retail trade and certain sub-categories of these top 5 industries provide the lowest wages.

Occupational wage data from Oakland shows that while 40.5% of Oaklanders work in high-wage management, professional, and related occupations and earn a median hourly wage of \$29.77, another 19.1% work in service occupations earning a median hourly wage of \$11.07.¹¹ (See Appendix A for full table of Oakland's occupational employment and median annual earnings.)

Twenty-three percent (23%), or close to 40,000 residents were employed in the lowest-paying sectors: retail, earning a median of \$27,089 per year, accommodation and food services, earning a median of \$25,381 per year, and administrative and support and waste management services, earning a median of \$23,862 per year. A comprehensive jobs strategy in Oakland should help both lift the wages in these sectors, and move working residents into better paying jobs and sectors. (See Appendix A.)

Many residents who are working are still in poverty. Almost 22,000 Oakland residents (21,763) working full or part-time still ended up below the poverty level. This means of all those adults in poverty, almost half (46.6%) were working individuals. Those who work should be able to provide for themselves and their families—not suffer in poverty.

Most new jobs created over the next 5 years will not pay enough to support a family

According to McKinsey Consulting Group's analysis of employment in Oakland, the top 5 sectors in 2006 were government (20%), health care and social assistance (13%), professional, scientific, and technical services (8%), retail trade (7%), and accommodation and food services (6%).

The East Bay region (or Oakland Metropolitan Area) had over 1 million private sector jobs in 2005 according to the California Employment Development Department (CA EDD), of which 32% were in management, professional, and related occupations, 29% were in sales and office, and 16% were in service occupations. (See Appendix C: East Bay occupational employment and hourly wages.) Using the bottom quarter of wages as the measurement of entry-level wages, most occupations did not have a median wage above the Oakland living wage (\$11.58 in 2006), or enough to lift individuals out of extreme poverty.



Over the next five years, the East Bay will produce approximately 48,450 net new jobs.¹² Of those new jobs, 17.0% will be in the relatively high-wage Professional, Scientific, and Technical Services (including Biotech) jobs, 15.3% will be in the Health care profession, which has a mix of high and low-wage jobs, and 10.7% will be in the majority low-wage Retail sector.

Types of jobs created by the East Bay economy	# of net new jobs
Projected 10 year net new jobs	96,900
Projected 5 year net new jobs	48,450
% of jobs in the following sectors ¹³	
Retail	10.7%
Transportation, Warehousing, and Wholesale Trade (including Logistics)	1.9%
Professional, Scientific, and Technical Services (including Biotech)	17.0%
Health Care	15.3%
Minus jobs that require more than a bachelor's degree	4,560
Jobs that require a bachelor's degree or less = " accessible new jobs "	43,890

Source: California EDD, 2004-2014 Occupational Projections.

Of the total net new jobs in the East Bay, **43,890 jobs will require a bachelor's degree or less**—what we refer to as "accessible new jobs." Given Oakland residents' levels of educational attainment described previously, these are the subset of jobs that are most likely to employ the majority of Oakland residents. Over half (55.4%, or 24,320) of these accessible new jobs will require at least a high school degree.

Types of jobs created by the East Bay economy (next 5 years)	% of total "accessible new jobs" (43,890)
% of jobs that require a high school degree or less	55.4% (24,320)
% of jobs that require between a high school & some college	12.8%
% of jobs that require a bachelor's degree	31.8%
% of jobs that will not pay enough to lift a family of four out of poverty (Basic Family Wage = \$18.53) ¹⁴	68.1% (31.9% pay above \$18.53)
% of jobs that are low-wage and high-growth (Living Wage = \$11.58) ¹⁵	33.3%

Source: California EDD, Occupational employment projections.

While it is good news that many new jobs will be available to residents who do not have a bachelor's degree, the quality of these jobs is a major concern. Over the next five years, of those roughly 44,000 accessible new jobs in the region, only **32% will pay a wage sufficient to lift a family of four out of poverty without public assistance**—also known as the regional Basic Family Wage of \$18.53 (as determined by the California Budget Project in 2006 dollars). A third (33.3%) of these jobs, such as food and beverage servers and home health aides, are in low-wage, high-growth industries. Oakland needs to ensure that a comprehensive strategy to create jobs for residents connects them to opportunities for career advancement and better paying jobs.

Conclusion

Through a comprehensive jobs strategy, **Oakland has an opportunity to help move over 10,000 “high need” residents into good living wage jobs.**

City-based jobs programs and policies should target “high need” residents who have the hardest time finding, keeping, and moving up into good quality jobs—including the unemployed, those with a high school diploma or less, and those who are marginally attached. Residents in these categories overlap heavily with the “high barrier” populations who face significant barriers to work: single mothers, those with limited English proficiency, and formerly incarcerated people. Those who face the greatest barriers to employment should benefit from jobs generated by the city’s investment in new economic development projects.

Based on our analysis of Oakland’s economic, workforce, and employment conditions, the City should focus on the following areas of significant employment need—also known by economists as the “labor supply” side of the equation:

Putting over 10,000 “high need” Oakland residents to work	# of Oakland residents
Those who are unemployed and have a high school degree or less (ages 25-64): ¹⁶	4,004
Those who are working full or part time, but still in poverty (ages 16 and over):	18,230
Those who are “marginally attached” to the workforce , including those who are discouraged from looking for a job (ages 25-64): ¹⁷	20,490
Total “high need” resident job goal	42,724 ¹⁸
25% of “high need” resident job goal	10,681

On the “labor demand” or jobs side of the equation, we know that the region will create close to 44,000 accessible new jobs over the next 5 years. While only a portion of these jobs will be accessible to Oakland’s “high need” resident population, those who are re-entering the labor market will ultimately benefit from the jobs available in the region—but only if they pay enough for a family to make ends meet. Of the close to 44,000 new jobs, 68% will not pay the Bay Area Basic Family Wage.

There are three ways the City can help ensure that Oakland’s “high need” residents are placed in a significant portion of these 43,000 accessible new jobs.

First, the City can utilize its **economic development tools to help Oakland capture** a share of the accessible new jobs being created in the East Bay. If these jobs are located in Oakland, there is a greater chance that Oakland residents will be hired for those new jobs.

Second, the City can help create **concrete pipelines to employment** in specified sectors. As companies are locating in Oakland and creating jobs, the City needs to expand good job connection and job training programs to not only support more residents who are “job ready,” but also develop the skills of residents to move into jobs and move up. “High need” residents—the unemployed, the working poor, and

those discouraged from the workforce—will need significant support to enter and stay in sustainable employment.

Finally, the City plays a major role in **creating better quality jobs**. The City should set a goal to increase the proportion of jobs that pay a Basic Family Wage from 32% to 50% over the next five years. The city can achieve this with the expansion of labor standards such as living wage, health benefits requirements, and labor peace.

Through these strategies, the City can connect high need residents to employment through new economic development projects, capturing economic and job growth for residents who want to work and could benefit significantly from a job.

If Oakland is successful in moving over 10,000 “high need” residents into sustainable jobs, this could help reduce Oakland’s unemployment rate, rate of working poverty, and marginally attached worker rates by 25% each.¹⁹

The next section of this report will analyze six industry sectors on a number of job quality and job accessibility criteria, as well as present case studies of best practices, city interventions, and policies that work.

4. The Opportunity: Promising Jobs for Local Residents

An agenda to create new jobs for all Oakland residents starts with a strategic assessment of industry sectors and occupations that provide the most opportunity. Which sectors should Oakland invest its limited resources in order to retain, grow, and connect to workforce training? How can we benefit from the sector's strengths, and mitigate their weaknesses?

Over the last year, discussion around Oakland's economic sectors has flourished. We drew on those discussions to identify six of the most important industry sectors for future growth in Oakland. They are:

- ❖ Retail
- ❖ Logistics
- ❖ Health Care
- ❖ Biotech²⁰
- ❖ Green jobs
- ❖ Food manufacturing

We should note that this is not a comprehensive list of sectors that could provide higher-quality jobs. For example, construction, though not a sector we analyze, will experience some job growth from new large-scale economic development projects pursued and built in Oakland. Many construction jobs offer higher wages and benefits, and the City already benefits from workforce training programs designed to help low-income residents enter into the industry. Therefore, maximizing opportunities in the construction sector should be part of any comprehensive strategy for putting Oaklanders to work. Our goal for this analysis is to focus on sectors where significant public intervention is necessary to grow and improve job quality and job access.

We assessed the six sectors above based on the following criteria:

a) Viability and collateral benefits: Is the industry or sector likely to locate and flourish in Oakland? Does the industry or sector provide indirect tangible benefits to Oakland, such as significant economic "ripple effects", tax revenue, services, or environmental benefits?

b) Job quality: Is the industry or sector likely to provide family-sustaining wages²¹ and health benefits?²²

c) Accessibility and career ladders, especially for "high barrier" workers: Is the industry or sector likely to connect Oakland residents to quality entry-level jobs? Is it likely to provide significant opportunity and training for workers to advance up career ladders? Will it provide opportunities for "high barrier" workers like single mothers, those with limited English proficiency, and the formerly incarcerated?



The case studies provided in each industry sector also provide three considerations in evaluating the six targeted sectors:

- ❖ **Best practices** in the sector, including job training programs, local hire, career ladder programs, and labor and wage standards.
- ❖ **Risks and considerations**, or lessons Oakland can learn from as it pursues these sectors as a part of a comprehensive jobs strategy.
- ❖ **City interventions** recommended if Oakland continues to pursue this sector to meet a city-wide goal of putting 10,000 Oakland residents to work in living wage and family-sustaining jobs.

The analysis and the case studies presented here only scratch the surface, and are meant to insert the importance of job quality and job accessibility into the current debates about economic development and employment.

Sector 1: Retail

Perhaps no other sector is such a “mixed bag” of outcomes for residents and workers as retail.

Cities have multiple goals when attracting retail development—1) sales tax revenue generation, 2) provision of amenities for workers and residents, and last but not least 3) entry-level job creation.

a) Viability and collateral benefits in retail

The retail sector provides critical general fund revenue for cash strapped urban cities like Oakland. Oakland’s recent retail study tracked close to \$10 million a year in sales tax revenue “leaking” out of the city, referring to shopping conducted by residents outside of the city.²³ City merchants, the report says, are only capturing one-third of residents’ retail sales potential—making it an “under-concentrated sector” according to analysts.²⁴

Oakland has the potential to re-capture a share of its regional sales tax revenue and bring shops and amenities back to its diverse neighborhoods. The most recent study by Conley Consulting Group cites the spending power of Oakland’s downtown employees and households—showing the potential for Oaklanders to shop in their own city.

In addition to the sales tax revenue generated for cash-strapped cities, retail development is closely linked to other real estate and economic development outcomes. In site location decision-making, many residential developers and employers alike assess available retail amenities for their employees and residents—ultimately affecting the city’s business attraction, retention, and growth. Often times large retail stores—be they department stores or grocery stores—serve as anchor tenants for other businesses, shops, and services to move into a particular development.

Oakland’s lack of grocery retail in certain neighborhoods raises an important issue of quality of life and equity. Years of redlining low-income communities of color by national grocery chains has created an unequal distribution of amenities—creating a lack of fresh and healthy food for many working-class families.

Further, retail generates a high number of entry-level jobs per square foot—many of which are low-wage, part-time jobs that rarely provide affordable family health care. The most recent retail study showed a loss of 10,400 jobs due to the aforementioned retail leakage. In order to pick up those jobs and the sales tax revenue leaking from the city, Oakland would need to create 5 million square feet (or 115 acres) of retail.²⁵

b) Job quality in retail

While many describe low-paying entry-level retail jobs as “better than no job,” they pay lower wages than other entry-level jobs. Appendix E shows that retail has a lower entry-level median wage (\$7.21) than overall entry-level jobs in the Bay Area



(\$8.22). For workers who are able to move up (from the lowest third to the middle third wage group), retail workers still earn a median wage below that of all industry sectors in the Bay Area (\$14.89 versus \$19.71).

Therefore, it is no surprise that only 46% of retail workers earn above \$18.53 per hour, or a Basic Family Wage for two working adults to support two children in the Bay Area without government assistance, as compared to almost 60% of all industry sectors in the Bay Area. These better wages are most likely concentrated in the unionized grocery and retail chains.

With regard to health care access, retail has the lowest job-based coverage (59.4%, versus 64.4% overall). Retail also has the highest rates of public health coverage (7.0% versus 5.2% overall) and a high rate of uninsured workers (24.1%). (See Appendix F). This confirms other statewide data reported by the Center on Policy Initiatives that show the rapidly growing retail sector lags the statewide average in provision of employer-provided coverage (40% in retail versus 49% overall), with an uninsured rate of over 20%.²⁶

c) Accessibility and career ladders in retail, especially for high barrier workers

Retail offers entry-level jobs with little to no education requirements; even high school students can work part time as cashiers and stock handlers. There are fewer opportunities in retail for career advancement and growth than other sectors. According to state-wide educational attainment data by sector, those who have a up to a high school degree are a majority of those earning the lowest and middle-wages in retail, while a bachelor's degree helps bump up some workers to the highest wage group in retail (See Appendix G). If there is to be some benefit for locally-hired workers in retail, there must be better ladders in the retail sector, across employers, as well as efforts to improve the overall quality of the job.

Given the relatively low education requirements for employment in retail, single mothers with childcare support and limited English proficiency workers could access jobs as cashiers or stock handlers in retail stores, and build minimal work experience. For people who are formerly incarcerated, employment re-entry in retail is actually fairly high: one study of re-entry employment showed that 30% of those sampled were working in the retail sector.²⁷

However, given the low wages and lack of health insurance access, many “high barrier” workers will face the same challenges as low-wage retail workers. This population will likely struggle to make ends meet even with a retail job, and most likely continue to rely on government assistance for their basic needs.

Best practices in retail: The Local Employment Program in East Palo Alto, led by an intrepid and relentless program director, Marie McKenzie, has placed thousands of local residents in jobs on subsidized projects in the city. Surrounded by affluent communities, the City of East Palo Alto implemented a First Source Hiring and Local Business Enterprise Program to address pervasive unemployment and lack of economic development throughout the city. The end-user businesses, which are mostly retail businesses, are required to employ a minimum of 30% of their employees from East Palo Alto.

“Some stores and restaurants have committed to greater than 30% and often exceeded the 30% requirement; some even have as much as 80% (locally-hired employees),” says McKenzie. With a database of employment information for 1500-1800 residents seeking employment, McKenzie says she has fielded requests from businesses outside the city, such as the Federal Aviation Administration and large hotel and grocery store chains, to access the database to seek potential employees.

The policy, adopted in 1996, encourages local hiring in the construction, retail, and service industries and businesses in East Palo Alto. Since 2004, over 2,300 people have been employed through the local hire program, and the retention rate for locally hired workers has been around 53% in the following year.

Angela Willmes is a receiver for a Lucky Store, a grocery chain in Oakland, California. She has worked with the Lucky company (which was most recently Albertsons) for 18 years and is a full time employee. Angela’s hourly wage is \$19.76 an hour with good medical benefits. Along with her husband, Angela supports a son who is 17 years old.

Angela is a shop steward with UFCW Local 5, and holds a position on the executive board. When asked what she likes best about her job, Angela said that the hours are great, and she enjoys a set schedule, which gives her a lot of stability. Ms. Willmes says that being part of a union has been very beneficial. The pension plan offered through her union is better than a private 401K plan, and in addition to having great medical benefits, Angela enjoys a level of job stability that is elusive to others in the retail sector.

“Workers who just enter the retail sector are often overlooked by officials and do not get the same benefits such as health, vision and dental as those who have been in the retail sector for a longer period of time,” Angela says.

When asked if she would like to see any changes made to her job or the retail job sector, she explained that the City should prioritize young people who are entering the retail or grocery sector, and provide support, job security, and training. “I would like to see (city) officials stand up for the younger generation, and businesses create decent jobs for individuals entering the job market,” she says.

Risks and considerations in retail: The company that exemplifies many of the negative labor practices in the retail industry when it comes to workers and wages is Wal-mart—the largest employer in the country, with sales and revenue that command 35% of the total retail market.

Numerous studies have shown that Wal-mart stores contribute to increased poverty and disinvestment in surrounding communities, and also cause significantly lower wages for workers in the retail sector. Union grocery stores—which pay workers 40-45% more and provide health insurance to 23% more workers than the retail giant—are struggling to compete with Wal-mart, and hence are being forced to restructure the wages and benefits provided to unionized workers.²⁸



Wal-mart frequently claims that hundreds of residents apply for work every time a new store opens. However, those same workers end up taking home less than other workers on average, and they also end up relying on public assistance—to the tune of \$86 million a year statewide.²⁹ The fact that workers line up for Wal-mart jobs says more about the crisis of unemployment in many urban areas, than about any good Wal-mart provides through its jobs. Because Wal-mart competes with existing retail stores, it eliminates almost as many jobs as it creates. Economists estimate that a typical Wal-mart adds only 6 additional retail jobs to the economy per year, and many of the additional jobs are worse than the jobs they replaced.³⁰

Low wages and poor working conditions are not only at issue at Wal-mart, they can be an issue at small and medium grocery and retail outlets as well. In this high-stakes environment, cities, businesses, labor unions, and neighborhood groups have found themselves on different sides of the retail debate. Debates around grocery outlets in Oakland, for example, have brought about bitter fights between neighborhoods starved for retail amenities and employment opportunities on one side, and existing workers whose livelihoods are threatened by the tide of part-time, low wage, no health-benefit employment in the grocery industry—an industry with one of the last remaining good quality blue-collar jobs available—on the other side.

City interventions in retail: Not every retail outlet or even neighborhood strategy will be able to meet all of these goals. However, with better information at the outset, cities can gauge the ability of developments such as retail to meet the three criterias above. Cities have used **impact assessment tools early** in the land use or subsidy approval process to uncover the number and wage levels of jobs created, the amount of subsidies given, estimated city revenues from the project, and impacts on surrounding small or local businesses. These assessment studies help provide cities with the necessary information to make informed decisions about development—particularly in a low-wage sector such as retail. Alameda County is one jurisdiction that has instituted such an impact study for big-box retail.

Once project-based assessments are made, the City can and should consider mitigations including **labor standards policies such as living wage requirements**. Establishing criteria and expectations early—whether in a retail strategy or for particular retail developments—can help alleviate acrimonious debates about how a particular retail store should treat its workers or how a company should contribute to a community. These standards should be applied especially to retail developments and companies that receive a public subsidy, but also to those that place a burden on local jurisdictions by forcing workers to rely on public assistance.

Sector 2: Logistics

Traditional warehousing jobs may conjure gritty images of heavy loading and unloading, and workers toiling in antiquated storage facilities where goods are hauled in, dropped off, and hauled out. However, more and more, logistics and warehousing employment has expanded to include highly computerized technical jobs that control complex systems of inventory management and goods movement—while still providing relatively accessible entry-level and career ladder opportunities for those with a high school diploma.

a) Viability and collateral benefits

The trade and logistics sector provides transportation, storage and transfer of goods being shipped from one place to another, both domestically and internationally. With twenty-five percent of the U.S. Gross Domestic Product related to the import and export of goods, trade and logistics enterprises are critical to the functioning of the economy.

Oakland has always served as a hub for trade and logistics, starting with shipyards and rail heads established in the 19th century. Today, the Oakland's seaport, which is one of the largest container ports in the world, and the Oakland Airport are gateways to the global economy that are right in Oakland's backyard. Their value to the region is substantial – Port of Oakland marine terminal operations represent a \$7 billion economic engine for the whole Bay Area economy, and contribute close to \$2 billion in personal income. For Oakland, the proximity of the Port provides both an opportunity to capture the regional economic benefits of global trade and a competitive advantage specifically in the trade and logistics sectors.

In Alameda County, an estimated 13,306 workers are employed in the logistics sectors engaging in warehousing, intermodal transfer (between truck, plane, and railcar), and distribution of goods.³¹ At most logistics facilities, workers include those who put goods on and off trucks, drivers of industrial trucks and tractors, clerks that manage stock and fill orders, and package handlers. Intermodal facilities take goods from one mode of transportation—such as steamship lines, planes, and trucks—and package or repackage them for shipping out in a different mode.

The impacts of the logistics sector reach beyond those who work in the distribution centers and warehouses. The logistics sector's connection to all the businesses and suppliers involved in the movement of goods from our maritime and aviation ports to the shelves of stores means there is potentially a high multiplier effect for these jobs—creating more jobs and economic activity in the region for every logistics job in Oakland.

b) Job quality in logistics

The trade and logistics sector generally provides good entry-level wages (\$11.54 in logistics, versus \$8.22 for the Bay Area overall), and median wages here are comparable to those in the Bay Area overall (\$19.85 in logistics versus \$19.71



overall) as shown in Appendix E. Using national occupational data, an entry-level laborer in the Trade and Logistics sector can make \$11.81 per hour, and first-line supervisors can earn \$19.32 per hour—higher than comparable entry-level jobs in retail.

Using logistics defined as mainly trade and warehousing (and not including wholesale trade), job-based health coverage for workers in this sector does not differ significantly from workers in the state (65.9% versus 64.6%).³² Rates of uninsured in this sector were not found to be statistically different than the rates of uninsured workers in California (24.3% versus 21.2%).

Other state-wide studies show that job based health care in transportation and warehousing and wholesale trade together is relatively good and comparable to the state's overall health coverage, with 67% and 68% coverage respectively for workers with employer-based health care or workers covered by a spouse or partners' employer.³³

However, one trend in the logistics sector creates downward pressure on wages. Many logistics firms hire lower-skilled workers through temporary agencies—categorized as “employment services” in occupational survey data.³⁴ Temporary agencies, also known as contingent staffing agencies, can provide both workers and workforce management services. As with any contingent work force, wages and benefits for temp workers are lower than workers who are directly hired (see the case study below). An estimated 22% of Alameda County workers in warehousing, intermodal, and distribution center operations are considered temporary workers.

c) Accessibility and career ladders in logistics, especially for high barrier workers

Trade and logistics businesses requires a broad range of skills—from entry-level laborers and package handlers, who make \$10.29 per hour, to tractor operators who make \$13.04 per hour, to maintenance and repair workers who make \$17.94, and to first line supervisors and managers who earn \$19.32 per hour. Entry-level work requires relatively little education and skills. And, unlike many sectors where jobs distribution is heavy on the top and bottom, logistics offers opportunities for workers to step up in their skill level through a variety of middle-wage paying jobs. There is a potential for residents to enter into this job sector with relatively little skill and education, and potentially move up to higher levels of responsibility and pay.

Appendix E shows that the logistics sector has a high proportion of low and middle-wage earning jobs worked by those with up to a high school degree, pointing to a high degree of entry-level job accessibility, and an ability for workers to move into middle-wage earning jobs with limited formal education.

Single mothers working in logistics face similar barriers here as in other sectors—namely, regular work hours and flexibility would be key factors. Those with limited English proficiency could potentially enter the sector through manual positions requiring only limited language skills.

For jobs requiring access to secure maritime property at the Port of Oakland, new Transportation Workers Identification Credential (TWIC) rules instituted through the Department of Homeland Security could bar immigrant workers without legal documentation, along with some workers with previous criminal records, from employment. For those with a criminal record, some offenses such as espionage and treason mean no employment, while other convictions such as unlawful possession of a firearm or an illegal substance mean interim disqualification. While workers at distribution centers and warehouses outside of “secure” areas of the Port may not be affected by such regulations, barring these workers from the Port may have a ripple effect on the logistics sector as a whole.

Those with a previous criminal record are already barred from secure airport areas, and could potentially be barred from transportation that involves going onto secure airport property.

Best practices in logistics: The International Longshore and Warehouse Union (ILWU) has run a successful open hiring hall in the Bay Area for over fifty years that connects job seekers with jobs, training, and the benefits of union membership.

According to Fred Pecker, ILWU Local 6 Secretary Treasurer, people looking for work sign up and usually within two weeks, they begin work such as forklift driving and break bulk packaging and re-packaging. The hiring hall is the only open hiring hall in the regional logistics sector, meaning all the new employees who pass through the hall not only become connected to good quality jobs in the logistics sector, but they automatically have access to union membership and all the corresponding benefits. Prospective workers often find the hiring hall by word of mouth, and according to Fred Pecker, about two-thirds of union employers use the hiring hall to recruit new employees.

The hiring hall helps provide local residents with jobs and good benefits, but the program’s success is jeopardized by low-road temp agencies who compete with the hiring halls, and whose employees do not pass through the hiring halls and hence are not offered the same wage and benefit standards for the same logistics jobs.

Risks and considerations in logistics: As the trade and logistics sector grows, the City and Port need to ensure that all workers—regardless of their contingent status—abide by the same wage and labor standards. The use of temp agencies in this sector can have a dramatic effect on wages and benefit standards. For instance, at a Target distribution center, direct hire workers can start at \$12.80 an hour and earn up to \$17 an hour, whereas workers from a temp agency start at \$8.50 and can only earn up to \$12 an hour.³⁶

Workers hired through temp agencies not only have lower wages, but they have less job security and fewer safety-net benefits. Outsourcing through temp agencies classifies logistics workers in a way that allows the company to save money by not paying for workers compensation and other benefits. This trend will likely undermine the value of the sector in providing both entry-level, sustainable jobs as well as a concrete job ladder to move up.



Recently, GSC Logistics—a company that leases from the Port of Oakland and operates a distribution center there—was sued by Teamsters Local 70 for violating the Port’s living wage law for over two years. GSC employs workers through two temp agencies—Duluth Services and Aerotek.³⁷ Because it operates on Port land, workers at the distribution center were covered under the Port Living Wage. The logistics company requested a waiver from the living wage law on the basis of economic hardship, which was ultimately denied by the Port of Oakland.

Instead of paying workers the mandated \$10.39 per hour with health benefits and \$11.95 per hour without, workers at GSC Logistics distribution centers, who contracted with Duluth Services and Aerotek temp agencies, were paid as low as \$7.50-\$8.50 per hour.³⁸

GSC has publicly taken credit for providing entry-level work and hiring local residents from the West Oakland neighborhood. However, while hiring residents from low-income neighborhoods is a laudable goal, these workers should not be segregated into second-class contingent jobs with wages lower than required by law.

City interventions in logistics: As both the Port and City of Oakland pursue the Trade and Logistics sector for city investment and economic growth, it must ensure that the sector’s use of temp agencies does not erode overall job standards and employment opportunities, and that wage and labor standards flow down to subcontracted workers.

The City and Port should prioritize companies who directly hire workers in permanent jobs with livable wages and benefits—especially for firms that benefit from public land or public dollars. Through the Request for Proposals (RFP) process for companies that do business with the Port and the City, public entities can also encourage labor peace between companies and their employees. In the RFP for Oakland International Airport, which is run by the Port of Oakland, terminal food, magazine, and retailers are held to labor peace assurances and agreements that prevent labor-related actions such as boycotts and picketing. These agreements signed by the business and a labor organization representing workers ensure that the Port will not suffer negative economic consequences from labor disputes.³⁹ Labor peace agreements would make sure that operations at one of the largest container ports in the country continue without labor disruption.

Given its proximity to the Port of Oakland, the Oakland Army Base is one key opportunity to attract good logistics, warehousing, and distribution center jobs—while ensuring that living wage and labor standards as well as local hire are implemented as part of the re-development of that key Oakland asset. Jobs outcomes can be codified through the RFP process, or by attaching labor standards to key subsidies, leases, or land sales involving the Port or the City.

In a growing sector with quality entry-level job opportunities as well as career ladders, trade and logistics companies need to also hire locally and contribute to training programs that provide a pipeline of qualified workers and an opportunity to move up. These local hire opportunities and job training programs need to not just move workers into entry-level positions at temp agencies, but work to ensure long-term sustainable employment that reduces turnover and instability in the workforce.

Sector 3: Health Care

When many of us think of health care workers, we may envision the doctors and nurses at the large public hospital systems. However, the universe of health care workers who provide direct care and long-term care services—both health-related as well as personal service—is large and diverse.

There two main types of service referred to in the health care field: acute care, typically delivered through large hospitals and clinics; and long-term care, which includes care given at nursing homes, homecare, personal assistance, community-based mental health care, as well as services for people with developmental disabilities.⁴⁰ These services are performed in three major employment settings: 1) Large hospital systems such as Kaiser Permanente, 2) small employers such as nonprofit community provider agencies that include nursing homes, and 3) homecare and personal service work for disabled or elderly clients, most of whom in Alameda County now fall under the public authority for In-Home Supportive Services (IHSS).

a) Viability and collateral benefits

In the Oakland metropolitan region, nine of the top 20 fastest growing occupations are in the health care field.⁴¹ “Front line” workers, who provide the most direct care and services—from home health aides to medical transportation drivers—comprise almost a third of all health care service sector jobs in the United States.⁴²

With staff shortages in key health care occupations—including nurses and technicians—coupled with the aging baby boomer generation, the increase in demand for health care workers will only increase in the coming years.

Oakland is posed to grow in its concentration of jobs in the health care sector. It can draw on key educational institutions like UC Berkeley, as well as key medical institutions like Kaiser Permanente, as well as form ongoing partnerships with state and community colleges through Cal State East Bay and the Peralta Community College District.

Growing the health care workforce will also help fill critical shortages in medical and emergency services at clinics and hospitals, as well as provide needed services through nursing homes and home care.

b) Job quality in the health care sector

Jobs in health care sector span high wage professional occupations such as doctors and nurses, as well as lower-wage occupations such as personal care and home care workers (see “Risks and considerations” in health care). Unfortunately, this diversity of wage ranges is not always evident when examining data for the sector as a whole. Appendix E shows entry-level wages for jobs in this sector are higher than those of the overall Bay Area (\$10.32 for health care versus \$8.22 the Bay Area), and the highest paying jobs in the health care sector have a median wage above the highest paying jobs overall (\$43.27 for health care versus \$39.70).⁴³

Health care workers, taken as a whole, tend to do better in rates of health insurance than workers state wide. Health care workers access to health insurance falls somewhere in the middle when compared to other industry sectors.⁴⁴

As addressed in the “Risks and considerations” below, the conditions for long-term care workers also threaten to draw down the job quality of the health care sector as a whole. Wages, health care benefits, and training opportunities for long-term care workers—such as home care workers, nursing home workers, and those who serve people with developmental disabilities—differ dramatically from those of the health care sector overall, and therefore deserve attention by employers and city officials alike.

c) Accessibility and career ladders in health care, especially for high barrier workers

Research on health care occupations and their potential to create concrete job ladders is voluminous. And for good reason—health care occupations are “sticky,” cannot be off-shored, and are expected to grow, particularly as Americans age and live longer.

However, there are wide disparities between job ladders by employment setting. There are numerous examples of hospital systems establishing concrete job ladders to move direct patient care workers from entry-level positions as nursing aides and pharmacy aides to higher paid Electrocardiograph (EKG) technicians and respiratory therapists.⁴⁵ The ladders to better paying jobs are not as easy to climb for long-term care workers like home health aides and personal and home care aides, and therefore career ladders across work sites—from personal home care to hospital care—should be bridged and strengthened.

According to state-level analyses depicted in Appendix E, the lowest-wage earning entry-level jobs are filled with a mix of those with up to a high school, education some college, and a bachelor’s degree or above. Some college education is needed to bump from the low earning or entry-level wage band into the middle-wage earning band. The highest wage-earning band is dominated by those with a bachelor’s degree or above—most likely due to the nurses, doctors, and other professionals that are concentrated in this band.

Jobs in health care can entail long and irregular hours, and therefore may make it difficult for some single mothers to juggle childcare, much less arrange for classes to obtain certification requirements necessary to move up in the sector.

Those with limited English proficiency face similar barriers here as in other sectors where workers need to learn industry-specific technical terms, along with becoming language proficient overall. Entry-level jobs in home care and nursing home care may be more accessible to immigrant workers with limited English proficiency, especially if they are able to communicate with clients in the same language.

Formerly incarcerated workers may be barred are from entering into health care professions. Those convicted of certain violent, sexual, and theft related crimes—and in some cases, alcohol or drug-related convictions—are barred specifically from home health care employment.⁴⁶

Again, the issues of job quality and job support for high barrier populations are a key concern for those working or entering into the long-term care portion of the health care workforce. Therefore, conditions for long-term care workers must be evaluated as the city pursues job growth and investment in the health care sector.

Best practices in health care: The most progress in health care-based job training and job ladders has been made through the large hospital systems. Model programs, like the SEIU UHW-Kaiser Partnership, which coordinated with the Shirley Ware Health Care Education Center, have moved hundreds of workers from entry-level housekeepers, clerks, and dietary aides to higher paid health care positions. Consequently, as a result of the 7-14 week training, workers enjoyed wage increases between \$2.25 and \$4.99 per hour. Additionally, the labor-management training partnership worked with the local Workforce Investment Board to backfill open entry-level positions with new unemployed and disadvantaged workers.⁴⁷

Many of the unionized hospital chains, like the Kaiser Permanente Hospital system, now have joint labor-management education funds, also called bargained funds or Taft-Hartley funds. Multiple employers as well as workers contribute to the training fund, which is codified in the collective bargaining agreement between the labor union and the management of the hospital systems. The fund is jointly managed by both labor and management representatives. These funds are used to pay for training and other work support for existing workers who are looking to improve their skills and move up job ladders.

In the long-term care component of the health care sector, initiatives from Los Angeles and Oakland continue to provide support and training for home-care workers. United Long-Term Care Workers Union Local 6434 hosts a Homecare Workers Training Center in Los Angeles, which provides courses in In Home Supportive Services (IHSS) and Certified Nursing Assistant (CNA) certification, as well as computer and English as a Second Language courses. In Oakland, the opening of the new labor union office will serve as a hub for worker training and support. Particularly innovative is an initiative in Los Angeles that combines workers needs for affordable housing and good jobs: the Long-Term Care Housing Corporation recently broke ground in Los Angeles on a project to build housing, a community center, and space for small businesses for homecare workers.

Christina Keys-Dawkins is a registered nurse at the Kaiser Permanente in Oakland, California. She has been in the medical profession for 11 years—a certified nursing assistant for 10 years and a registered nurse for 1 year. Christina lives in Oakland with her 8 year old son and husband who she is supporting.

Christina advanced into her current higher-paying position as a nurse through the support of the SEIU UHW-West & Joint Employer Education Fund, a union-negotiated, employer-funded education and training program. Founded in 2004 and the first of its kind on the West Coast, the fund is the result of an historic partnership of the United Healthcare Workers Union (UHW) and healthcare employers, like Kaiser. The partnership is aimed at ensuring a future hospital workforce that is highly skilled and provides the highest quality of patient care.

Christina is a recent graduate of the Education Fund's Nurse/Professional & Technical Education Stipend Program, which compensates members to reduce their



work schedule by up to 8 hours per week for class attendance and to study. Eligible members must be enrolled or accepted into a Registered Nurse, Allied Health or other accredited health-related academic program.

Christina started the program in February of 2006 while she was finishing her last semester of nursing school at Oakland's Samuel Merritt College. She learned about the Stipend program through her union steward. As someone who was working 24 hours a week and attending school full time, she was struggling to support her family and focus on school.

The Stipend program was incredibly beneficial for Christina and her family—providing not only monetary compensation, but also an important support system. The program, which included close coordination with an Education Fund Career counselor to help her manage her workload and education school, allowed Christina to cut her hours down to 12 hours a week and receive from \$300 to \$400 in compensation from the fund. Being enrolled in a rigorous and fast-paced nursing program did not leave her much time to study or work to support her family. Through this program, she was able to cut her hours down, focus on school, and get the assistance that she needed during and after nursing school. Christina emphasizes that anytime she needed help, she could always count on her counselor.

"It was a program to keep me on track...and I definitely see a difference in my life" said Christina. "[The stipend program] was great because it let me know what I was doing and let my counselors know about my progress in school," explained Christina.

Christina urges her coworkers who are fortunate enough to have access to this program to take advantage of it. "The union and Kaiser want you to get a higher education...so take advantage of it...you don't have to do it yourself," she said.

Risks and considerations in health care: Many of the strategies used in the large hospital systems—for job training, raising wages, and decreasing turnover—do not translate to the decentralized homecare or to small nonprofit health care employers.

Home health care aides are both the fastest growing occupation in the Oakland Metro Area (47% growth is projected by 2014), and one of the lowest paying, at a median hourly wage of \$9.54.⁴⁸ Personal and home care aides are the fifth-fastest growing occupation (with 30% expected growth), and have a slightly higher median hourly wage of \$11.20.⁴⁹ Many of these workers are immigrant or minority women.⁵⁰

At nursing homes, long-term care workers (rather than nurses or doctors) perform eight out of every 10 hours of care an elderly or disabled patient at a long-term care facility receives.⁵¹ However, despite carrying a large proportion of long-term health care work, long-term workers overall have less access to health insurance than the overall population.⁵²

Workers that serve people with developmental disabilities (DD) and their families

also face low wages and similar challenges to other long-term health care workers. In 2001, one survey of workers who serve people with DD documented average wages of \$10.24 per hour, which have stayed relatively frozen due to stagnant reimbursement rates over the past five years. In California, 70% of those who work with people with developmental disabilities are women, and 59% are African American, Latino, or Asian.⁵³

In addition to low wages, long-term care workers have a high turnover rate. The annual turnover rate averages from 50% nationally for developmental disabilities workers, to 60-100% turnover for long-term care workers such as certified nurse aides.⁵⁴ This high turnover is costly, and directly undermines the quality of service given to clients. High turnover rates are not only a disincentive for employers to invest in workforce development and training opportunities for workers—further diminishing the supply of high skilled workers—but turnover rates also disrupt health services for the most vulnerable patients.

Third-party reimbursement through Medi-Cal or Medicaid also means employers cannot pass on the cost of training for long-term, direct care workers to health care consumers. Therefore, providers have even less incentive to provide ongoing training beyond the government’s minimum requirements.

Furthermore, the nature of the work itself is a barrier to developing job ladders for long-term care workers. Workers who perform the day-to-day health and personal services sometimes have fragmented sets of tasks that prevent them from acquiring higher level job skills such as problem solving, communication, and decision-making skills.⁵⁵ Workers who do pick up these skills on the job—through managing and serving residents, patients, or clients in the long-term care realm—are neither supported nor rewarded with training or higher pay. Furthermore, There are little to no job linkages between long-term homecare or nursing home work on one hand, and higher paying, higher skilled positions in the acute-care system on the other.

Structurally, small community based nonprofits serving the elderly and people with disabilities or mental health needs suffer the same challenges as other small businesses. Given current funding limitations, small long-term care agencies need significant external support to help develop workforce training programs and career ladders, and to seriously address recruitment and retention of workers.

Brenda Blannon has been working as a homecare worker for the past seven years, providing care to her brother James in her home in Oakland. Far from a traditional nine-to-five job, Ms. Bannon works as long as her brother needs assistance, and gets paid for only 114 hours a month.

Knowing that her brother is not going to get any better is hard for Brenda to deal with. Not only does she have to take him everywhere she goes, but does not get paid for holidays—days on which she still provides care to her brother.

“I work for 24 hours a day and get only \$10.50 an hour,” she says. Brenda knows the funding for the program is limited, but she desperately wishes to earn a higher salary. She adds that, like many homecare workers, she rarely gets her paycheck on time. “We have to wait 9 to 10 days to get our paycheck which means that we are behind on our bills and end up paying late fees,” she says.

Brenda has been very active in her union, now SEIU-United Long Term Care Workers (ULTCW) Local 6434, since she started working in homecare. Being part of a union allows Brenda has access to some of the training that she needs to advance in her work as a homecare provider. However, training alone is not enough for her and other homecare workers to get a higher paying job, and therefore Brenda would like to see more opportunities for advancement. She emphasizes that homecare workers are given an array of undefined duties, expected to work extra hours, and are not given the compensation that they deserve.

When asked if she would like to see any changes made to her job or the health care job sector, she explained that she would like city officials to make sure homecare workers receive a fair and decent pay because “[they] work ten jobs in one.” Paid time off, paid vacation, and time and a half on the weekends would also help relieve the stress of working in homecare. Oakland should also coordinate with the County and other jurisdictions to help provide more access to training and resources for homecare workers.

City interventions in health care: In order to maximize benefits for workers in the health care sector, cities like Oakland have a role to play in supporting health care training programs that work, and lifting workforce and labor standards in occupations where workers continue to suffer from low wages and high turnover.

Since many of the long-term health care systems are guided by county, state, and federal regulations and systems, Oakland needs to closely coordinate with other government jurisdictions to create quality jobs in the health care sector. Local jurisdictions should pursue state and federal funds to finance both sector-based training and wage increases. Wages of homecare workers have doubled over the last 10 years, and most of the funds have come from state and federal, not county sources. In addition, the public authority has been able to provide affordable and accessible health care insurance to In Home Supportive Services (IHSS) homecare workers by creating a low-cost plan that taps into the county’s public health system. However, more needs to be done to raise wage and benefit standards for these and other health care workers.

Cities can also support the growth and expansion of workforce intermediaries and labor-management partnerships. Workforce intermediaries provide multiemployer training programs, human resources, and administrative support to small community service agencies. Successful labor-management partnerships, such as the SEIU-Kaiser training partnership, not only help move workers into health care jobs, but train them to move up into increasing levels of responsibility and pay.

For those at the bottom, job ladders in the health care sector need to be “climbable,” and higher level decisionmaking and skills-building should be nurtured in long-term care workers to make sure skills are transferable to higher paying occupations. Oakland should welcome an expansion of the Homecare Workers Training Center model of the Los Angeles branch of SEIU-ULTCW 6434, and support multi-lingual training and career ladder programs for long-term care workers.

Finally, local workforce investment boards and community colleges can play a distinct and vital role in connecting and training local Oakland residents in sustainable, promising jobs in the health care sector.

Sector 4: Biotechnology

Since the explosion of internet related businesses and dot-coms, industry experts have looked to sectors like biotech to create the “next Silicon Valley.” The East Bay Business Times recently published an article stating that biotech companies overflowing from Berkeley and Emeryville are starting to look to cities like Richmond and Alameda.⁵⁶

a) Viability and collateral benefits of biotechnology

When biotechnology was first identified at the federal level as a sector with high potential for rapid growth, it caused a flurry of action by states and municipalities to entice companies to settle and expand within their boundaries.⁵⁷ Since then California has captured more than 400 biotechnology firms (as of 2003), and leads the country in the number of biotechnology firms—more than twice the number of the second leading state of Massachusetts.⁵⁸ The San Francisco Bay Area is one of four major regions in California that have a concentration of biotechnology firms.

The biotech sector in the Bay Area—including companies such as Genentech, Bio-Rad, and Bayer—is currently admired not only for innovative research, development, and manufacturing of life-saving pharmaceuticals, but is also lauded for having high economic multiplier effects, high growth, and high wages. The biotech sector overall is continually changing as new products are researched, developed, manufactured, and brought to market.

Biotech jobs are most commonly classified within the industry sector of professional, scientific, and technical services. However, biotech can cross a number of industries, including manufacturing and wholesale. Likewise, jobs in biotech range from entry-level animal handlers and library assistants to much higher level biostatisticians and manufacturing research associates.⁵⁹

Biotech companies that specialize in research and development usually hire fewer, highly educated scientists, engineers, and technicians; while companies that engage in manufacturing hire more workers to staff technical positions, as well as administrative support, maintenance, and sales positions.

As with commercial and industrial development as a whole, biotechnology firms also require lower-wage service support. The concentration of biotech firms in the Bay Area has meant a parallel growth of service sector industries—such as janitorial, food services, and landscaping—required to support the overall professional, technical, and scientific services sector. However, this lower-wage workforce is often overlooked in discussions of biotech, and conditions of subcontracted workers are rarely acknowledged as the responsibility of the contracting companies (see “Risks and considerations”).



b) Job quality in biotechnology

Biotech jobs have one of the highest rates of job-based health coverage of the six sectors studied here (85.3% versus 64.6% overall). This is confirmed by other state-wide data that shows that, since biotech jobs cross the high wage sectors of professional and technical services, manufacturing, and wholesale, the health care access provision for these jobs appears to be relatively high—surpassed only by the education, information, and public administration sectors state-wide.⁶⁰

c) Accessibility and career ladders in biotechnology, especially for high barrier workers

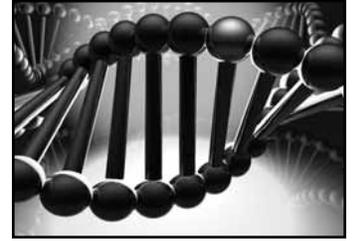
Based on state-wide data, a number of jobs in the biotech sector only require a high school degree and are growing, such as animal handlers, who earn \$11.97 per hour (for those in the 75th percentile hourly wage), and library assistants, who earn \$16.18.⁶¹ Likewise, there are a few jobs that require only a certification or associate degree, such as assay analysts (\$21.96 to \$22.37) and laboratory assistants (\$21.96-\$22.56).

However, out of 33 growing occupation categories in biotech, 21 require a bachelor's degree or higher, six require a certification or associate degree, and only another six are accessible to those with a high school degree.⁶² Some of the fastest growing occupations, such as microbiologists and scientific information analysts, require at least a bachelor's degree.⁶³

The inaccessibility of biotech jobs for entry-level workers state-wide is shown in Appendix G, where those with a bachelor's degree or higher dominate every wage category, from low, middle, to high (69.1%, 79.9%, and 86.0% respectively). While biotech firms provide some on-the-job training, most require significant support, training, and coordination from local city governments, community groups, school districts, and community colleges in order to successfully move young, low-skilled workers into entry-level and advanced jobs in the biotech sector.⁶⁴

Because of the entry-level skills needed to work in the biotech sector, it is unlikely to provide significant job opportunities for the most "high barrier" and disadvantaged workers. Basic math and science skills, including metric system conversions and ratios, are necessary for entry-level work. English language skills are necessary for spoken and written communication, including reading directions, record keeping, and maintaining log books. Employers also look for knowledge of laboratory practices, and ability to follow detailed instructions such as government regulations and company policies that govern safety, production, and laboratory procedures.⁶⁵

Best practices in biotechnology: One promising job intervention is the Biotech Academy that began as a pilot project at Berkeley High. In 1992, Bayer Laboratories established a training program, called “Biotech Partners,” for disadvantaged, low-income, and minority students to enroll in biotechnology classes and internships. Nearly 15 years later, biotech academies in both Berkeley and Oakland have trained over 1,500 students combined. Graduates have gone on to certificate programs at Laney College and jobs at Bay Area biotech companies like Genentech and Amgen.⁶⁶ This training program was one of several mitigations pushed for by community residents in response to Bayer’s request to the City of Berkeley to expand its facility.



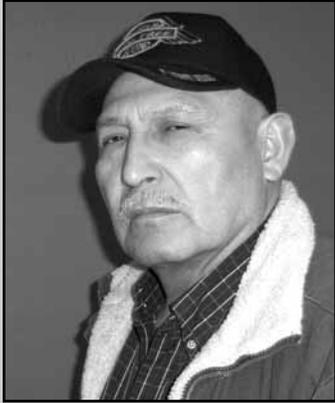
Another promising job-training and placement program in biotech is the partnership between Genentech, Skyline Community College, and the San Mateo Workforce Investment Board. This program helps place community college graduates in full-time work-study involving entry-level jobs in biomanufacturing. Genentech provides the work structure and the customized job positions, Skyline Community College provides skills training, and the San Mateo Workforce Investment Board helps move laid-off workers from the airline industry into biotech.⁶⁷

Risks and considerations in biotechnology: In addition to improving job access and job ladders for low-income and low-skilled workers, policymakers must consider the low-wage subcontracted work the biotech sector ends up creating. This dynamic is not exclusive to biotech, and affects workers at commercial office buildings and campuses in many locations in the Bay Area.

Commercial office buildings and office campuses such as those in biotech create a demand for low-wage contracted food service, janitorial, landscaping, and other services. For example, employees at the cafeterias of large biotech companies often receive poverty-level wages, cannot afford health care, suffer from a high turnover rate, and face harassment and intimidation when they attempt to bargain collectively to improve their working conditions.

Take, for example, Guckenheimer Enterprises, a food service company who holds over 120 accounts in Northern California. One of Guckenheimer’s contracts is with Genentech, located in South San Francisco. Workers at Genentech’s cafeteria at one point earned as little as \$8-10 an hour and paid as much as \$400 per month for family health insurance—a cost unaffordable to most employees.⁶⁸ Wages and benefits improved significantly after a concerted effort to improve conditions by workers and the labor union, UNITE-HERE.

While Oakland may or may not attract a biotech company large enough to have its own campus and cafeteria, the conditions of low-wage subcontracted workers servicing high-wage professional and commercial office buildings and their employees should not be ignored in crafting an economic development strategy.



"My name is **Etelberto Cruz** and I work in a cafeteria for a large company called Guckenheimer. I work as a dishwasher and utility worker. My whole life has been about working. I've had several jobs. But, still, my salary is not enough to pay for a dignified home.

I spend the day working so that I can make savings for my future, and by night, I sleep in the street in my car. I do not live in my car; I sleep in my car. I live working.

Those of us working in the cafeteria are organizing to improve our living conditions. We all need a space where we can live in dignity."

Etelberto Cruz is a 2 year Cafeteria Worker at WebEx.

City interventions in biotechnology: If Oakland invests in the biotech sector, established programs like Berkeley and Oakland's high school biotech academies, and the Skyline Community College program, should be evaluated, expanded, and replicated in order to move low-income, disadvantaged youth and adults into real and sustainable jobs in the biotech sector. These programs should strengthen the ties to community college classes and certificates as well as other on-the-job training opportunities.

Furthermore, companies that contract out non-core services—such as those that provide food service in the biotech sector—should be held to high wage and labor standards. This ensures that the benefits of the sector are shared broadly. Some biotech and high-tech companies have recently begun to require their contractors abide by industry codes of conduct which ensure fair wages, neutrality toward collective bargaining efforts, and compliance with federal and state labor, health and safety, and environmental laws. For companies receiving public investment, these standards can also be codified in "responsible contractor" policies.

Sector 5: Green Jobs

In 2005, Oakland was named the 5th most “green” city in the nation by the National Geographic Green Guide. Oakland’s new designation only contributed to the already heightened media attention about the vast amount of venture capital investment in “clean technologies” and green businesses—an aggregate investment matching that which spurred the information technology boom of the late 1990’s. According to research by the Apollo Alliance and Urban Habitat’s, renewable energy technologies alone were a \$40 billion global industry in 2005, and are projected to quadruple in size over the next ten years.⁶⁹

To better define and understand opportunities in this sector, the green jobs sector can be divided into jobs involving cleaning up operations and processes (services) and jobs related to construction or manufacturing (production and outcomes). Many of these jobs are inter-related: a set of workers who make solar panels is connected to another set of workers who later install the panels during construction. Using this framework, the green jobs sector in the Bay Area has three key opportunities: 1) in green construction, 2) in retrofitting and auditing for energy efficiency, and 3) in green manufacturing and production.

It is important to note here that green construction is one piece of a broader construction sector that could produce significant job opportunities for Oakland residents. Also, the key opportunities in green jobs addressed here are not comprehensive. There are a number of other “green industries”, such as clean fuels and power generation, which may or may not be viable to an urban location such as Oakland.

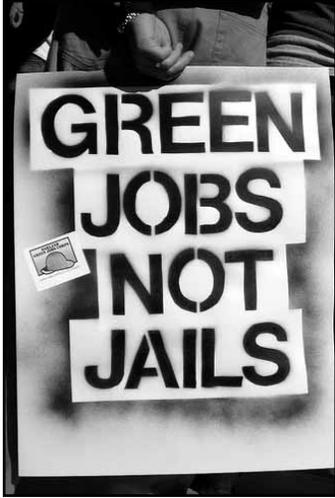
a) Viability and collateral benefits of green jobs

Many cities are eager to compete for green businesses and jobs, and communities are there is increasing momentum nationally to ensure that low-income communities and communities of color receive a fair share of and benefit from green investment.

One reason the “buzz” has been so great is that green businesses have a high multiplier effect or economic “ripple” effect locally. According to a study of Los Angeles’ “green technology” sector, jobs in green businesses tend to have a high added value to local economies (relative to other industry sectors), and pass along a greater share of the value to employees than the overall businesses in the county.⁷⁰

b) Job quality in the green jobs sector

Assessment of wages and benefits in the green job sector depend on how you define green jobs. As with biotech, since so many industries overlap within the green jobs sector—including manufacturing, construction, professional and technical services, and “other services”, it is difficult to summarize the quality of jobs in this sector-cluster.



However, a Los Angeles study on green technology found that, while the occupations with the highest average hourly wages for green jobs were managerial and professional jobs, there were a number of “blue collar” and “pink collar” occupations that have lower education and skill requirements, such as carpenters, bookkeepers, and energy auditors.⁷¹

Some examples of green jobs that advance from entry-level pay to average hourly wages include carpenters (from \$13.11 to \$21.87) and sheet metal workers (\$11.12 to \$20.82). For non-construction workers, some examples include refuse and recyclable material collectors, with an entry-level wage of \$12.54 and an average overall wage of \$19.41, and general maintenance and repair workers, with an entry-level wage of \$15.01 and an overall average wage of \$22.54.⁷²

Health coverage data for those in the green jobs sector is mixed, with relatively high job-based coverage (71.7%, versus 64.6% overall), and low rates of uninsured (11.3% versus 21.2% overall). (See Appendix F).

c) Accessibility and career ladders in green jobs, especially for high barrier workers

While green jobs can entail varying levels of skill and education, there are a number of “green occupations” that require less than a year and a half of training time.⁷³ However, as in many sector-clusters, there will likely be a range: service-sector energy efficiency and auditing jobs will entail less education than electrician jobs for example. Apprenticeship programs in construction can also provide training and jobs in green building and energy efficiency.

Educational attainment by wage categories suggests a concentration of jobs at the high and low end of the education scale (up to a high school degree, and bachelor’s degree or above), with not much in the middle (jobs filled by those with some college education). This may mean that more cross-occupational ladders, and even more cross-industry ladders—from service to manufacturing to construction—are needed in the entire sector to move those with low educational attainment and low wages into the middle and higher wage categories, without necessarily requiring more years of formal education.

Working single mothers will have the same challenges and barriers in accessing green jobs as they do accessing manufacturing, construction, and other service sector jobs.

Construction jobs are possibly the most promising for formerly incarcerated workers, and Oakland has a track record of programs that move the formerly incarcerated into living wage construction careers.

Likewise, through Youth Employment Partnership, at least one multi-lingual pre-apprenticeship job training program has been established to help support limited English proficient residents in accessing construction careers. These programs are only beginning to address the specific demands of green building and retrofitting practices.

Furthermore, these community-based job training programs, including the Solar Richmond program, tend to be small and need external support and resources to meet the needs and potential of Oakland’s low-skilled immigrant and native-born communities.

Best practices in green jobs: In August of 2007, the Ella Baker Center for Human Rights copresented a unique jobs training program in Richmond that is moving low-income residents and youth of color into the green economy. As the “green-collar” jobs idea builds momentum throughout the Bay Area and nationwide, this program is among the first to “walk the talk” by providing free solar system installation to low-income homeowners and training low-income residents from the community to do the work.

Solar Richmond, a non-profit energy advocacy group committed to serving under-employed people in the “green collar” workforce, forged the partnerships for this program by connecting Richmond BUILD—the City of Richmond’s low-income residential assistance and construction training program, with GRID Alternatives—a licensed electrical contractor which installs solar systems for low-income homeowners and provides solar training. By forming an alliance with the Ella Baker Center, it partnered with one of the driving forces behind the federal Green Jobs Act and Oakland’s Green Jobs Corps — a groundbreaking city-funded jobs training program expected to launch in 2008.

Richmond BUILD has a goal to train 150 Richmond residents in green construction, and to that goal provides training in math skills, plumbing, blue print reading, carpentry, cement work and basic electrical work. Staff of the program also provide support in job placement and screening of training applicants, who must have a high school diploma or GED, be able to pass a basic skills test and a drug test, have a valid drivers license, and be proficient in English.

In its first year, the job training program enrolled 18 people, with all but one completing the training.

Aundré Maurice Collins is a 25 years old, African American, and lives in Richmond. He works to support himself and four other members of his family, including his three daughters.

Aundre heard about the Richmond BUILD and Solar Richmond program through the RichmondWorks One-stop employment center. A construction Project Labor Agreement was created and administered through the Center to make sure that a certain number of people hired for construction projects receiving city assistance were Richmond residents.



Before the Richmond BUILD program, Aundre had some informal training in carpentry work with his father and grandfather, and previously worked for UPS loading and unloading trucks, at Costco, and at Starbucks. Unfortunately, none of these jobs put him on a path to a long-term career.

“I appreciated the attentiveness of one of the teachers of the program and really enjoyed the soft skills focus. Every day, we spent an hour of discussion touching on life, personal presentation, pride, and integrity. Mentorship was also available if we needed it.”

When asked about his goals and hopes for the future, Aundre says, “Right now I’m focusing on providing for myself and my family.”

Risks and considerations in green jobs: For cities, strengthening the pipeline between resident workers, effective training, and concrete jobs at the end of the training is still a work in progress. While residents who completed the green job training program gained concrete skills and one trainee was just recently hired by Sunlight and Power company, a green energy efficiency and design company, many are still unable to find a job after completing the training.

City interventions in green jobs: In the Solar Richmond program, the City of Richmond played a major role by hosting and developing Richmond BUILD, the free low-income residential assistance and construction training program. The program was funded by a combination of city, state, and federal workforce training dollars. The City, in partnership with the Building Trades Council and Carpenters Union, not only developed and hosted the training, but also provided the up front evaluation of applicants to ensure they met basic requirements for the program.

By partnering with nonprofit groups like Solar Richmond and the Ella Baker Center for Human Rights, as well as coordinating with solar panel manufacturing firms moving to Richmond, the City took significant leadership in bringing the partners and stakeholders to the table to develop and support a concrete pipeline for low-income youth and adults to enter into green jobs.

Sector 6: Food Manufacturing

The food manufacturing sector has a rich history in Oakland—from the cannery days when peaches, cherries, and tomatoes from the Central Valley were processed here, to glass and bottle companies that used to operate in East Oakland. Mother's Cookies employed 230 workers in Oakland until 2006 when it moved its bakery and distribution centers to Canada and Ohio.⁷⁴ However, food production continues on the site of Mother's Cookies with Dobake Bakeries, a 20-year old wholesale doughnut and muffin shop founded in San Francisco.

a) Viability and collateral benefits of food manufacturing

In addition to a rich history, other factors that make Oakland attractive for companies in this sector include 1) connection to the regional transportation infrastructure to move goods to and from food facilities—whether via the Port, rail, or highway—with many firms already located along the 880 corridor); 2) proximity to Central Valley farm and agriculture and other local suppliers (such as grain and other processors); 3) access to the Bay Area “foodie” culture, consisting of a large specialty food consumer and restaurant base; and finally 4) access to a quality entry-level employees as well as more highly skilled managers, food scientists, and computer technicians.

However, there is no doubt that the food manufacturing sector is a volatile one. The companies that have since moved out of Oakland are a missed opportunity for the city, and point to the level of planning and land use commitments needed to grow and retain this manufacturing sector.

In 1998, the Economic Development Alliance for Business conducted a study of the food processing sector for Alameda County.⁷⁵ The study highlighted key strengths of the sector, and focused specifically on the sector's potential for welfare-to-work participants.

The countywide study found that the food processing sector was a traditional source of employment and a “pillar of the economy” in the region, with not only minimal entry-level job requirements but also a strong history of on-the job training.⁷⁶ Industry experts estimate that the sector creates a strong economic multiplier effect of three to four additional jobs in manufacturing, distribution, and services in the region.

The City of Oakland, along with the Workforce Investment Board, conducted its own labor market study of the food processing and distribution sector in 2004. The study reported 4,000 jobs in the cluster—comparable to the 2,047 jobs in Food Processing and 1,610 jobs in Food Warehousing that were reported around the same time.⁷⁷ One example, Svenhard Bakery located off Adeline Street, was recently cited as the City's largest industrial employer, with approximately 400 employees at its Oakland headquarters.⁷⁸



b) Job quality in food manufacturing

Food manufacturing occupations overlap heavily with those in the transportation, warehousing, and wholesale sectors. Taking them in aggregate, the county's study of food manufacturing found that 65% of the employees had starting wages close to the Oakland Living Wage (\$8 per hour in 1998 with health benefits), 95% offered health benefits, and 50% were represented by unions.⁷⁹

In 2006, bakers and food batchmakers, two food-related occupations within the manufacturing sector, made between \$8.36-\$14.71 an hour. Across California, bakers had an average of 850 annual job openings, and baking is considered one of the most stable occupations, with employment that is not as affected by seasonal variations as other food-related industries. Butchers and meat cutters, who had an average of 630 annual job openings statewide, make between \$10.03 and \$18.96 per hour—one of the higher wage ranges for directly food-related occupations. However, these occupations may change as centralization and increased automation move operations from higher paid butchers to lower-wage slaughter houses.⁸⁰

Workers in food manufacturing had relatively high job-based health coverage, at 71.7% versus 64.6% for the workers in the state overall. (See Appendix F). Assuming food manufacturing has similar rates of health care access as the total manufacturing sector in the state, other state-wide data confirm that workers can expect to have high rate of employer-based health care (58.9%)—higher than that of California workers overall (49.0%).⁸¹

c) Accessibility and career ladders in food manufacturing, especially for high barrier workers

A New Jersey study found that close to 90% of food manufacturing and processing sector jobs were accessible to workers who had a high school diploma or less.⁸² While some entry-level jobs have a high school diploma preferred and require the ability to pass basic arithmetic tests, many bakers and meat processing workers, for example, receive extensive on-the-job training through apprenticeship programs.

State-wide California data helps confirm that the food manufacturing sector is highly accessible for workers with up to a high school degree, who make up over two-thirds of those in the entry-level and middle-wage earning categories (70.0% and 73.1% respectively). Some college education helps bump up workers into the highest wage-earning category, comprising 42.5% of the workers in that band. (See Appendix G).

However, while the jobs may be accessible at an entry-level, high turnover rates in the first 6 months indicate that employers and government need to invest in up-front job readiness training as well as ongoing support. ESL, math skills, time management, and basic work-readiness training and screening can help prepare a quality workforce for these companies to hire. Likewise, since many companies operate on thin profit margins and do not have the capacity to provide higher level training after the initial on-the-job training, community colleges and school districts need to collaborate on programs to move entry-level workers to higher levels of responsibility, including computer or food-science jobs.

Large baking and food batchmakers operate around the clock, but most food production facilities work a standard 40-hour week. This could enable single working mothers to arrange consistent work schedules and childcare.

Limited English proficient workers would face the same challenges in food manufacturing as in other manufacturing sectors. Since most of the training is done on the job, and the work processes can be easily demonstrated and learned, this sector may provide opportunities for limited English proficient workers. However, many food processing plants, such as meat processing plants in other states, have employed heavily immigrant labor at relatively low pay, and sometimes in unsafe working conditions; therefore, labor standards would be a concern if this sector were pursued.

Formerly incarcerated workers may have opportunities in the sector, as it requires minimal training, involves some manual labor, and provides entry-level accessibility. However, NEDLC's study of San Francisco shows that, absent a specific program or strategy, few workers with criminal records are employed in the manufacturing sector.⁸³

Best practices in food manufacturing: The Sara Lee Bakery Group was originally started in San Francisco in 1965, and moved in Oakland shortly after it sought to expand. The Oakland location—off the 880 freeway near 23rd Avenue—currently houses the wholesale bakery and bread manufacturing. The company employs approximately 150 employees in the manufacturing department, and another 150 employees in its sales department.

Sara Lee chose to move to Oakland for several reasons: 1) the site could accommodate their expansion, 2) the location was close to the freeway, and 3) Oakland was not only close to other businesses that sell their product in the city, but is also at the center of their regional sales district, which extends north to Ukiah, south to Castroville, and inland to Livermore and Pittsburgh.

According to company staff, Sara Lee prefers to hire people who live near their facility because of the perception that local workers are more dependable and more satisfied workers. The company tends to hire entry-level workers—mainly those with a high school education or little or no college education. The only requirement is that potential candidates show an interest and ability to do manual labor. Companies like Sara Lee utilize Enterprise Zone and other local hire and tax break programs to help generate local hiring.

Sara Lee offers a range of jobs from entry-level to more experienced jobs, including distribution, sanitation, maintenance, engineering, administrative, and accounting jobs. Advancing to management is possible for individuals who have more than a high school degree or are in the process of completing a college degree.

Sara Lee provides on-site trainings for workers to advance from entry-level jobs to more experienced positions. The company also encourages workers to seek additional education through external training programs, such as community college programs or classes. However, despite these trainings and recruitment efforts, food companies like Sara Lee still face a high turnover rate—in this case 50%, pointing to the company's struggles to retain and constantly recruit qualified workers.





Trinette Grant is an Oakland resident and a delivery driver at Saroni Total Foods in Oakland, where she has been driving for a year. Before that, she worked as an independent truck driver at the Port of Oakland, where she worked for long hours with no benefits. Saroni Total Foods maintains a 75,000 square foot warehouse in Oakland where they distribute basic ingredients throughout the San Francisco Bay Area. Two unions represent the company's workers: ILWU Local 6 represents the warehouse workers and Teamsters Local 70 represents delivery drivers.

As a driver for Saroni and member of Teamsters Local 70, Trinette enjoys medical and dental benefits, as well as a pension. The best part of her job, she said is the flexibility. In a typical day she can choose when to start between the hours of 4 and 6am, and once all of her deliveries are complete—typically seven deliveries in a regular workday—her day is complete.

When asked what she enjoyed most about her job, Trinette said, "It's a family oriented work environment and we take care of one another."

Risks and considerations in food manufacturing: While opportunities in the food processing sector are promising for Oakland's low-skilled workers, the sector has several employment challenges. First, food processing companies are highly seasonal and sometimes volatile, with employers needing flexibility to respond to changing tastes and market conditions. This means that workers just starting may only work cycles of 3-6 months at a time. Of these highly seasonal companies, many use temporary agencies to manage their employment needs. This short-term work could provide transitional opportunities for residents entering or re-entering the workforce, but does not provide permanent and reliable employment for many. Also, since companies operate on multiple shifts per day, transportation and childcare supports are essential to worker's ongoing employment.⁸⁴

City interventions in food manufacturing: The city's recent debates about industrial land are closely tied to the future of the food manufacturing and processing sector in Oakland. Rising land prices, conflicting land uses, rising utility prices, and deteriorating infrastructure threaten the growth of the food processing sector in Oakland—and in particular, squander the opportunity for job placement and stable advancement for local residents and existing workers.

The most immediate external threat faced by many food manufacturing companies is that of conflicting land uses, with housing encroaching into industrial areas in Oakland. As mentioned by Melvin Siegal, a Health and Safety manager and Environmental Coordinator for Sara Lee, as houses are built close to industrial areas, conflicts in land use will arise as homeowners begin to complain about truck traffic, odors, and higher noise levels from the bakery. The most immediate conflict may arise through a key rezoning effort underway for the area around the Sara Lee site, otherwise known as the Tidewater Area.

Unfortunately, if housing and industrial uses are not balanced, Sara Lee will not have been the first food manufacturing firm to face displacement pressures from residential development. When Niman Ranch first moved from San Francisco to

Oakland in 2005, the company cited encroachment of loft development in San Francisco as a prime factor that ultimately forced their relocation. Absent a clear strategy and a balance of interests and zoning, industrial bakeries such as Sara Lee—and the jobs they provide for local residents—could eventually be pushed out of Oakland.

Therefore, land use zoning approvals and development agreements are two arenas where the City can significantly influence the fate of the food processing sector, and set standards by which companies operate, hire, and promote Oakland resident workers. Oakland must pursue aggressive land use commitments, coordinated with sector-based strategies and plans, if it has any hope of retaining one of the last remaining good quality, low polluting, blue collar jobs in manufacturing.

Conclusion

The analysis of quality job opportunities for local residents in these six sectors provides a starting point for determining the types of jobs Oakland can and should attract and grow.

By examining these sectors' economic viability for Oakland, as well as both job quality and job access lens, a few themes emerge. First, absent a defined strategy and plan, there is a threat that Oakland may not capture regional concentration nor capitalize on the potential growth of certain industry sectors. For example, logistics and warehousing is primed to grow with the increase in trade at the Port of Oakland. However, the City will need to **use the economic development tools it controls**—including land use approvals, redevelopment powers, business services, and workforce training—in a concerted way to direct businesses to Oakland, and to direct residents to new jobs.

Second, Oakland will need to **raise standards in sectors with “low-road” labor practices** to ensure that the benefits of economic development in that sector are broadly shared. Retail is a prime example of where high-road employers ensure that residents are locally hired, and that wages and benefits are raised to help workers support a family. In the logistics and biotech sectors, the City must keep low-road employers and subcontractors from eroding the quality of jobs, benefits, and wages enjoyed by the rest of the sector. In health care, the de-centralized homecare and small nonprofit community service employers and their workers need support to provide better baseline wages and benefits, as well as move workers across job ladders to higher levels of skill and responsibility.

Third, in any sector that Oakland decides to pursue, it must **connect existing residents to new quality job opportunities** through local hire and job connection programs, job ladders, and ongoing training and support to ensure job retention. Whether this builds on the labor-management partnership training funds in health care, pre-apprenticeship training programs in green construction programs, local hire for better paying retail and grocery jobs, or the biotech academy with Bayer, these programs need both institutional support and partnerships between businesses, community colleges, high schools, labor unions, and community groups. This will ultimately determine the access Oaklanders have to new jobs that grow in the city as a result of economic development.



Lastly, when considering the growth of industry sectors, as well as the attraction and growth of specific companies and employers within that sector, the City should **use concrete job access and job quality criteria**, including those assessed in this section:

- ❖ Provision of family sustainable wages (above \$18.53) and health benefits
- ❖ Entry level opportunities for local low-skilled residents, and effective and ongoing training to move up
- ❖ Ability to address the employment needs of under-employed and high barrier populations such as single mothers, those with limited English proficiency, and residents who are formerly incarcerated.

A comprehensive strategy to create real jobs for Oakland residents starts with clear criteria that direct economic and job growth patterns in the city. These criteria can then inform a vision for ensuring Oakland residents harness the power of development to create family-supporting accessible jobs and healthy communities.

Industry Sector	Viability for Oakland and Collateral Benefits	Job Quality	Accessibility and career ladders	Best Practices	Risks and Concerns	City Interventions
Retail	+ Sales tax revenue and neighborhood amenities	--	High But little opportunity to move up	Local hire	Low-road retailers	-Project impact evaluations -Local hire -Labor peace
Logistics	+ Trade and Port gives regional significance	+	Mix Need career ladders	Local hire, hiring hall	Temp workers	-Direct-hire workers -Local hire -Responsible contracting -Living wage enforcement
Health Care	+ Top growing occupation in the region	+	Mix Need cross-over ladders	Job training	Conditions for long-term care workers	-Workforce training intermediaries -Coordination with federal/state programs -Community college training
Biotechnology	/ Unclear ability to capture regional market	+	Low Generally not accessible	Local hire, job training	Low-wage subcontracted service work	-Sector training partnerships -Responsible contracting -Labor peace
Green jobs	+ Sustainability policies and initiatives are promising	/	Mix Depends on type of work	Job training	Concrete jobs at end of training	-Job training and job connection -Local hire
Food Manufacturing	/ Well situated near transportation hubs and food suppliers, but volatile	/	High to Middle Good on-the-job training apprenticeships	Local hire	Industrial land at risk	-Direct-hire workers -Job readiness -Job training -Industrial land retention

5. Recommendations:

ONWRD’s 3-Point Approach to Put Oaklanders to Work

We believe that Oakland is at a crossroads, and that the future of our city depends on how we choose to approach economic development and job creation. We can harness and steer economic development to create a just and vibrant Oakland, or we can allow development to lead to further displacement of long-term residents, violence in our communities, and worsening economic and racial segregation.

What is clear from the analysis presented here and from what we see in our neighborhoods every day is that the status quo is not working for most Oaklanders. The regional economy will continue to create tens of thousands of jobs each year. If the City of Oakland does nothing, “business as usual” will create jobs that provide minimal benefit to the majority of Oakland residents. These jobs will likely be either at the upper end, with high education and training requirements that render them inaccessible to a majority of Oakland residents, or at the lower end, backing workers into dead-end jobs with little to no opportunity for advancement—and few options in the middle.

To put Oaklanders to work, especially those with barriers to employment, the City needs a new approach to economic development that prioritizes Oaklanders’ needs. A narrow approach to economic development will not do enough to create good-paying jobs or move residents into them. Based on our preliminary analysis of Oakland’s economic conditions, workforce, and jobs, coupled with an evaluation of the opportunities and challenges in six existing and emerging sectors, we recommend that the City of Oakland adopt the following 3-point approach to put Oaklanders to work in living wage jobs. We have highlighted the Mayor’s Task Force recommendations where they overlap with this approach.

1) Commit to an ambitious, concrete goal.

Commit to moving 25% of Oakland’s high-need residents—10,000 people—into family-sustaining jobs over the next five years. Prioritize putting these residents to work—residents who often do not benefit from narrow approaches to economic development. Committing to this goal would mean putting the following residents to work:

Putting over 10,000 “high need” Oakland residents to work	# of Oakland residents
Those who are unemployed and have a high school degree or less (ages 25-64): ⁸⁵	4,004
Those who are working full or part time, but still in poverty (ages 16 and over):	18,230
Those who are “marginally attached” to the workforce , including those who are discouraged from looking for a job (ages 25-64): ⁸⁶	20,490
Total “high need” resident job goal	42,724
25% of “high need” resident job goal	10,681

If Oakland is successful in moving over 10,000 “high need” residents into sustainable jobs, this could help reduce by 25% Oakland’s unemployment rate, rate of working poverty, and marginally attached worker rates.⁸⁷

Likewise, out of the close to 44,000 accessible new jobs created in the East Bay region, Oakland should set a goal to raise the wage standards for new jobs created. Without intervention from cities and local jurisdictions, the region will continue to create jobs that will not support a family.

Oakland should set a goal to increase the proportion of jobs that pay a Basic Family Wage from 32% to 50%, for the regional jobs it captures in the city over the next 5 years. While only a portion of these jobs will be accessible to our “high need” resident population, those who are re-entering the labor market will ultimately benefit from the higher quality jobs available in the region. Combined with local hire and concrete job pipelines, a goal to improve the quality of available jobs can help move more Oakland residents into sustainable employment.

Tracking progress towards such goals overlap with the recommendation by the Mayor’s Workforce Development Task Force to develop a “Prosperity for Oakland Dashboard” (POD) that measures progress towards shared workforce and economic goals.

2) Prioritize creating jobs that meet Oaklanders needs.

To foster the growth of the economy in a way that creates broadly-shared prosperity, Oakland needs to prioritize industry sectors that meet Oakland’s needs and shift public resources to attract and grow good sectors, connect the current resident workforce to strong existing industry sectors, and raise labor standards in low-road sectors.

The starting point should be clear criteria for prioritizing sectors that will grow in Oakland and that will meet Oaklanders’ needs. These criteria should include:

a) Viability and collateral benefits: Is the industry or sector likely to locate and flourish in Oakland? Does the industry or sector provide indirect tangible benefits to Oakland, such as significant economic “ripple effects”, tax revenue, services, or environmental benefits?

b) Job quality: Is the industry or sector likely to provide family-sustaining wages and health benefits?

c) Accessibility and career ladders, especially for “high barrier” workers: Is the industry or sector likely to connect Oakland residents to quality entry-level jobs? Is it likely to provide significant opportunity and training for workers to advance up career ladders? Will it provide opportunities for “high barrier” workers like single mothers, those with limited English proficiency, and the formerly incarcerated?

A number of the Mayor’s task forces recommended that Oakland use a sector-based strategy to create new jobs. The Mayor’s CEDA/Redevelopment Task Force recommended creating and implementing a comprehensive economic development strategy, and the Workforce Development Task Force recommended identifying promising sectors for creating sustainable employment.



Once sectors are selected, the **City should focus its economic development tools** to make sure Oakland captures a share of the close to 44,000 accessible new jobs being created in the East Bay. The City can use its economic development tools to direct businesses from that sector to Oakland, and direct residents to new job openings. The City's redevelopment, land use planning, and approvals are key arenas where Oakland can exert its local powers to determine what should be built where, and how. The City can use these tools to ensure that land is available for the growth of the prioritized sectors, and that new developments are held accountable for providing good jobs and training opportunities. For example, the development of the Oakland Army Base—one of the last large swaths of undeveloped land in Oakland—presents a unique opportunity that should be carefully planned and executed to maximize jobs and other benefits for existing residents. The Mayor's Planning and Land Use Task Force similarly recommended that the City hold off on new industrial to residential rezoning until the City develops clear and objective criteria that reflect net city benefits of rezoning and establish industrial protection districts in appropriately zoned areas.

The City should **maximize workforce development and training** to connect local residents with opportunities to secure good jobs and advance beyond entry-level jobs. The City needs to support higher proportions of residents who are "job ready," but also invest in skills development so that residents can both move into jobs and move up. Those who are "high need" residents—the unemployed, the working poor, those discouraged from the workforce—will need significant support to enter and stay in sustainable employment.

Numerous job training and placement programs already exist; however, these programs struggle with inadequate resources and generally have not been connected to a strategy by the City to grow particular sectors (in large part because such a strategy has not been articulated by the City). Once the City prioritizes particular industry sectors, the City should allocate resources within the Workforce Investment Board (WIB) to work with Peralta Colleges, labor unions, businesses, and workforce development non-profit providers to increase the capacity of programs in those sectors. The Mayor's Workforce Development Task Force made a number of recommendations that overlap with this step, including linking the City's economic development and workforce development activities, restructuring the membership of the WIB governing board, and adopting a workforce development model to guide the WIB's allocation of resources.

Lastly, a new approach to economic development must address low labor standards in many industry sectors that may grow with the growth of industries. The City should **establish and enforce policies to raise the bottom**, like responsible contractor and living wage laws. As the City uses public resources—such as public land, subsidies, loans or contracts—to grow selected industry sectors, the City should attach basic standards for wages, benefits, workers' rights on the job, and protection of public investment. These basic standards can either be implemented through policies or through individual project agreements. In a similar vein, the Mayor's Hire Oakland and Contract Compliance Task Force recommended that the City establish responsible contractor requirements in the Request for Qualifications and Request for Proposal Process, and the Port of Oakland Task Force recommended the City play a role in enforcing and expanding the Port's living wage ordinance.

3) Expect more from development projects.

Oakland's economic development and expansion should harness the power of new development to create family supporting, accessible jobs and healthy communities. A new approach to economic development need not wait: the City can begin today by expecting more community benefits from new development projects, be they housing, commercial, office, industrial, or of any other kind.

No matter which particular sectors grow, opportunities in construction jobs will be made available through new development. The City **should promote high labor standards, training, and local hire requirements in construction employment.** Construction-based Project Labor Agreements (PLAs) are one way to ensure strong building and worker standards. PLAs can include not only wage and benefit standards, but also **requirements and processes for hiring local residents.** Coupled with training programs, PLAs can move significant numbers of residents into sustainable, family-supporting careers, and PLAs with local hiring components should become standard practice for large-scale development projects. The Hire Oakland and Contract Compliance Task Force recommended that PLAs incorporating local employment goals be a part of all development agreements signed by the City.

Secondly, the City should also **ensure high labor standards and local hiring for developments that create permanent jobs**, such as janitors and security guards in office buildings, clerks in stores and warehouses, lab technicians at hospitals and biotech facilities, and forklift drivers at warehouses. These developments should be expected to pay living wages, provide health benefits, respect workers' rights and hire locally.

For both construction and operational jobs, the City should **create a mechanism to provide greater funding for workforce training and job preparation.** Development projects should be expected to contribute to preparing the Oakland workforce that will build and operate such projects.

Finally, the City must **evaluate proposed projects**—whether condominiums, office towers, stores or warehouses— on how they will affect the surrounding neighborhoods and meet (or not) the City's goals and strategic approach. To that end, the City should require that specific information be analyzed and presented in City staff reports in a rigorous fashion. This should include, at a **minimum, reviewing the number of jobs, their wage level, and the training required for any jobs created by** the new project. At present, this information is either absent or mainly based unverified developer assertions. Additionally, the City should **evaluate neighborhood impacts**, including effects on housing affordability and availability, neighborhood services, infrastructure, and health. Similarly, the Planning and Land Use Task Force recommended conducting comprehensive social, economic, and health assessments of all significant projects and plans; and the CEDA/Redevelopment Task Force recommended evaluating large scale development projects in regards to local employment, affordable housing, community services, schools, and quality jobs. Better information on projects will enable Oakland policy makers and the public to make better informed choices.



Appendix A: Oakland's industry employment and median annual earnings Oakland Unemployment Rates

Industry sector	Employment estimate	M.E.	% of Total Employment	Median annual earnings	M.E.
Construction	14,954	1,459	8.8%	\$32,260	\$9,124
Manufacturing	11,675	1,165	6.8%	\$37,753	\$8,136
Wholesale trade	3,448	573	2.0%	\$29,262	\$7,058
Retail trade	18,166	1,449	10.6%	\$27,089	\$4,218
Transportation and warehousing, and utilities	9,286	965	5.4%	\$41,292	\$1,637
Information	4,745	697	2.8%	\$59,566	\$10,215
Finance and insurance, and real estate and rental leasing	11,726	1,084	6.9%	\$56,040	\$8,498
Professional, scientific, and management and administrative and wage management services	25,886	1,541	15.1%	\$59,098	\$6,878
Administrative support and waste management services	9,253	1,051	5.4%	\$23,892	\$5,826
Educational services, and health care and social assistance	38,882	1,876	22.8%	\$44,997	\$5,257
Arts, entertainment, and recreation, and accommodation and food services	16,057	1,336	9.4%	\$25,381	\$3,990
Accommodation and food services	12,538	1,278	7.3%	\$22,098	\$5,223
Other services, except public administration	10,333	971	6.0%	\$35,605	\$6,029
Public administration	5,376	702	3.1%	\$59,152	\$6,137
<i>Overall Total</i>	<i>170,901</i>	<i>7,200</i>	<i>100.0%</i>	<i>\$41,334</i>	<i>\$1,119</i>

Source: 2006 Census American Community Survey. Agriculture, forestry, fishing, and hunting, and mining is not included because a small sample size makes the data unreliable.

Appendix B: Oakland residents' occupational earnings

Oakland Occupations*	Median Hrly Earnings		Annual Median Earnings		% Employment	
	Estimate	M.E.	Estimate	M.E.	Estimate	% M.E.
Management, professional, and related occupations	\$29.77	\$1.67	\$61,921	+/-3,474	40.5%	3.6%
Service occupations	\$11.07	\$1.33	\$23,028	+/-2,767	19.1%	5.6%
Sales and office occupations	\$17.75	\$1.72	\$36,916	+/-3,570	19.3%	5.2%
Farming, fishing, and forestry occupations	--	--	--	--	0.1%	61.4%
Construction, extraction, maintenance, and repair occupations	\$15.47	\$2.52	\$32,170	+/-5,247	9.2%	9.7%
Production, transportation, and material moving occupations	\$14.87	\$1.69	\$30,933	+/-3,508	11.8%	8.2%
<i>Total</i>	\$19.87	\$0.54	\$41,334	+/-1,119	100.0%	4.2%

Source: 2006 Census American Community Survey * Note: Occupational earnings are based on occupations for which annual earnings were reported, and not for all occupational employment.

Appendix C: East Bay Occupations and Wages

East Bay Occupations	May 2005 Employment	% Employment	Q1 2006 25% Hourly Wage	Q1 2006 Median (50%) Hourly Wage	Q1 2006 Annual Salary
Management, professional, and related occupations	320,710	32%	\$23.47	\$32.98	\$68,588
Service occupations	162,700	16%	\$9.39	\$12.17	\$25,314
Sales and office occupations	288,230	29%	\$10.86	\$15.07	\$31,346
Farming, fishing, and forestry occupations	750	0%	\$8.19	\$10.14	\$21,091
Construction, extraction, maintenance, and repair occupations	101,860	10%	\$16.86	\$23.65	\$49,182
Production, transportation, and material moving occupations	135,370	13%	\$10.46	\$14.93	\$31,054
<i>Total</i>	<i>1,009,620</i>	<i>100%</i>	<i>\$11.94</i>	<i>\$19.28</i>	<i>\$40,102</i>

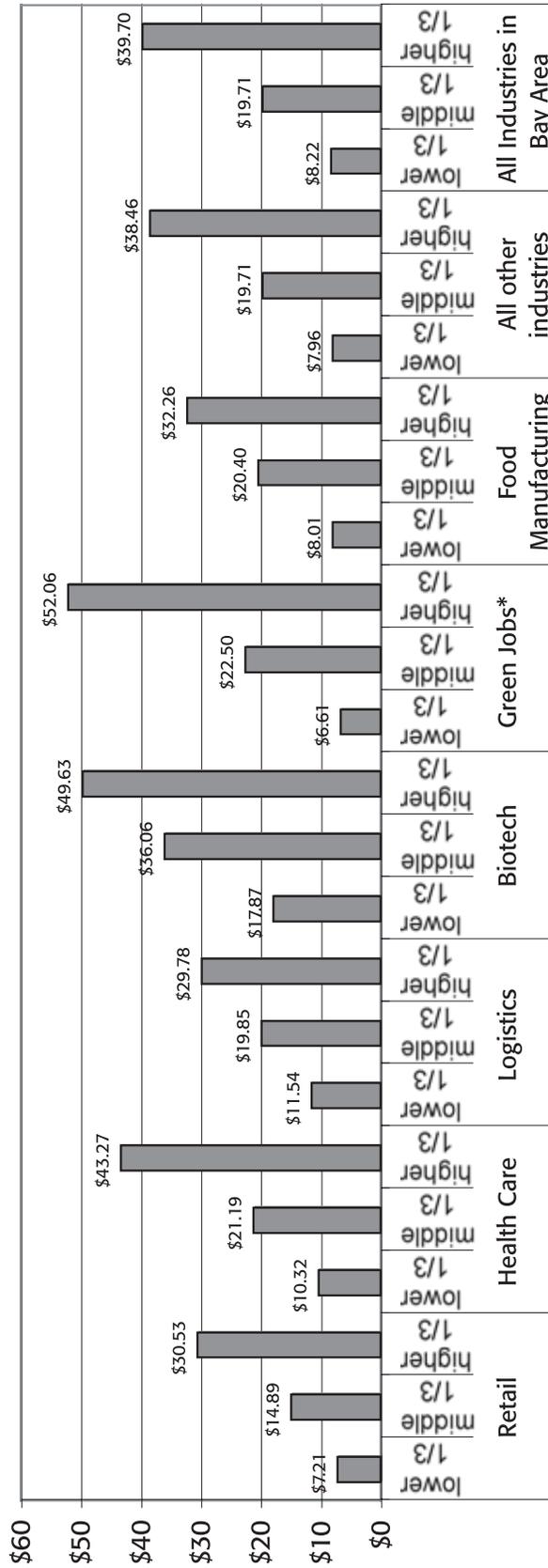
Source: California EDD, Occupational Employment Survey (OES).

Appendix D: Educational Attainment by Race

Educational Attainment by Race (>25 yrs)	African American			Latino			Asian			White						
	Est.	M.E.	%	%M.E.	Est.	M.E.	%	%M.E.	Est.	M.E.	%	%M.E.				
Less than High School	11,498	1132	15.6%	1.5%	28,927	1870	54.7%	3.5%	15,432	1460	36.0%	3.4%	3,011	527	4.1%	0.7%
High School diploma and some college	49,766	2135	67.4%	2.9%	17,078	1351	32.3%	2.6%	15,553	1367	36.3%	3.2%	21,477	1333	29.4%	1.8%
Bachelor's Degree or higher	12,542	1135	17.0%	1.5%	6,851	857	13.0%	1.6%	11,917	1029	27.8%	2.4%	48,617	1829	66.5%	2.5%
<i>Total population</i>	73,806				52,856				42,902				73,105			

Source: 2006 Census American Community Survey. Percentages may not add up to 100% due to rounding

APPENDIX E: Bay Area median hourly wages, 2004-2006 (in 2006 dollars)



Source: UC Berkeley Labor Center analysis of CPS data for Bay Area.⁸⁸
 Note that the Green Jobs Sector median wage tertile data are not reliable given the large margins of error, listed in the table below.

Sector	Median Wage Tercile	Median Hourly Wages Margins of Error
Retail	lower 1/3	\$0.87
	middle 1/3	\$0.78
	higher 1/3	\$2.96
Logistics	lower 1/3	\$1.89
	middle 1/3	\$1.30
	higher 1/3	\$2.45
Health Care	lower 1/3	\$0.90
	middle 1/3	\$1.46
	higher 1/3	\$2.93
Biotech	lower 1/3	\$2.01
	middle 1/3	\$3.68
	higher 1/3	\$5.51
Green Jobs*	lower 1/3	\$4.67
	middle 1/3	\$4.74
	higher 1/3	\$5.35
Food Manufacturing	lower 1/3	\$1.91
	middle 1/3	\$3.25
	higher 1/3	\$2.01
<i>All other industries</i>	lower 1/3	\$0.38
	middle 1/3	\$0.52
	higher 1/3	\$0.95
<i>All Industries in Bay Area</i>	lower 1/3	\$0.29
	middle 1/3	\$0.38
	higher 1/3	\$0.82

Source: UC Labor Center Analysis of March 2006 CPS data.

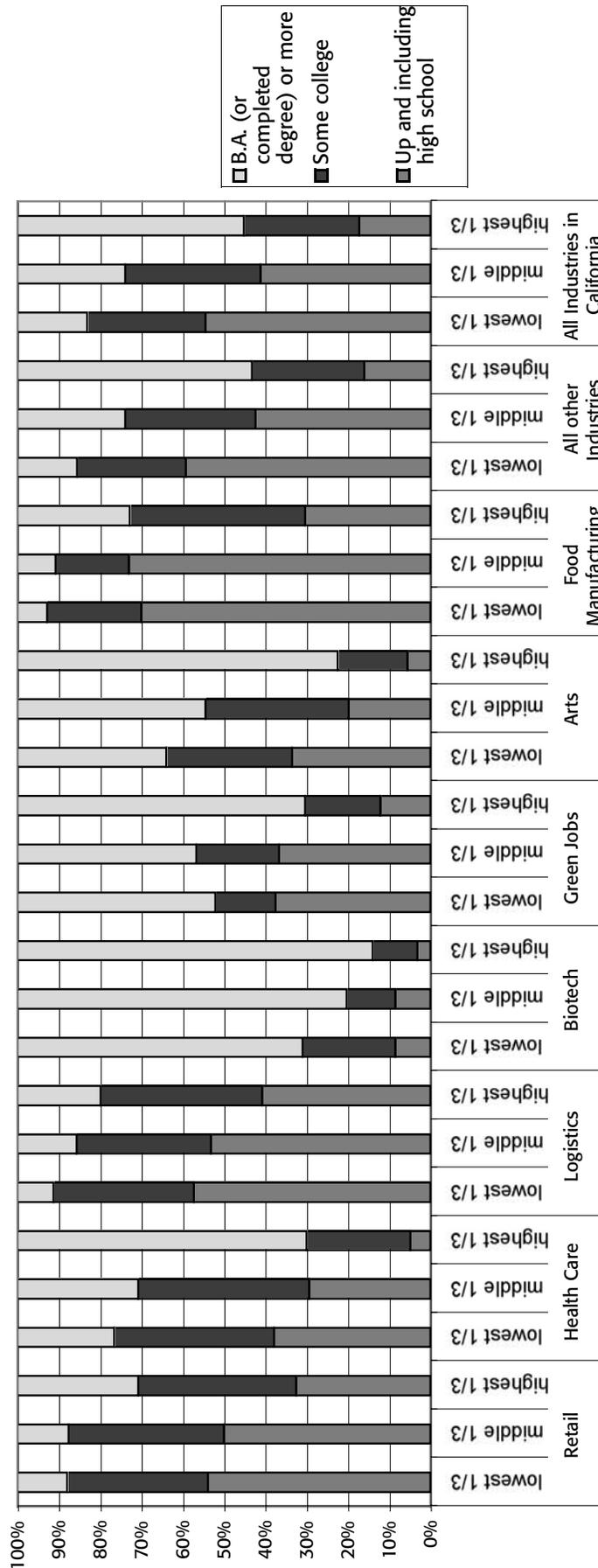
Margins of error are calculated at two standard errors.

Appendix F: Health Care Coverage by Sector 2004 to 2006

Sector	Coverage Type	Percent w/ coverage	Margin of error
Retail	Job Based	66.8%	4.5%
	Public	5.5%	2.2%
	Private	11.8%	3.0%
	Uninsured	17.3%	3.6%
Logistics	Job Based	77.3%	6.6%
	Public	4.0%	3.1%
	Private	5.5%	3.6%
	Uninsured	15.7%	5.7%
Health care	Job Based	81.5%	4.0%
	Public	3.9%	2.0%
	Private	6.9%	2.6%
	Uninsured	8.5%	2.9%
Biotech	Job Based	85.5%	8.7%
	Public	1.2%	2.6%
	Private	8.2%	6.8%
	Uninsured	6.3%	6.0%
Green Jobs	Job Based	75.5%	8.5%
	Public	4.0%	3.9%
	Private	13.5%	6.8%
	Uninsured	9.5%	5.8%
Food Manufacturing	Job Based	78.3%	12.7%
	Public	0.0%	0.0%
	Private	8.2%	8.4%
	Uninsured	13.5%	10.5%
<i>All other industries</i>	<i>Job Based</i>	<i>69.2%</i>	<i>1.8%</i>
	<i>Public</i>	<i>3.8%</i>	<i>0.7%</i>
	<i>Private</i>	<i>11.2%</i>	<i>1.2%</i>
	<i>Uninsured</i>	<i>17.0%</i>	<i>1.4%</i>
<i>All of Bay Area</i>	<i>Job Based</i>	<i>71.3%</i>	<i>1.4%</i>
	<i>Public</i>	<i>3.8%</i>	<i>0.6%</i>
	<i>Private</i>	<i>10.6%</i>	<i>0.9%</i>
	<i>Uninsured</i>	<i>15.6%</i>	<i>1.1%</i>

Source: California EDD, Occupational Employment Survey (OES).

Appendix G: Educational Attainment by Sector Wage Tercile, California



Source: UC Berkeley Analysis of March CPS data for 2004-2006

Sector	Tercile	Educational Attainment Margins of Error		
		High School or less	Some College	Bachelor's Degree or more
Retail	Lowest 1/3	2.7%	2.6%	1.7%
	Middle 1/3	2.7%	2.6%	1.8%
	Highest 1/3	2.5%	2.6%	2.5%
Logistics	Lowest 1/3	4.6%	4.4%	2.6%
	Middle 1/3	4.7%	4.4%	3.3%
	Highest 1/3	4.6%	4.5%	3.7%
Health Care	Lowest 1/3	3.0%	3.0%	2.6%
	Middle 1/3	2.8%	3.1%	2.8%
	Highest 1/3	1.3%	2.7%	2.8%
Biotech	Lowest 1/3	5.8%	8.7%	9.7%
	Middle 1/3	6.0%	6.9%	8.6%
	Highest 1/3	3.7%	6.6%	7.4%
Green Jobs	Lowest 1/3	7.1%	5.2%	7.4%
	Middle 1/3	7.1%	5.9%	7.3%
	Highest 1/3	4.8%	5.7%	6.8%
Food Manufacturing	Lowest 1/3	8.3%	7.6%	4.7%
	Middle 1/3	8.0%	6.9%	5.2%
	Highest 1/3	8.3%	8.9%	8.1%
<i>All Other Industries</i>	Lowest 1/3	1.1%	1.0%	0.8%
	Middle 1/3	1.1%	1.0%	1.0%
	Highest 1/3	0.8%	1.0%	1.1%
<i>All industries in California</i>	Lowest 1/3	0.9%	0.8%	0.7%
	Middle 1/3	0.9%	0.8%	0.8%
	Highest 1/3	0.7%	0.8%	0.9%

Source: UC Labor Center Analysis of March 2006 CPS data

Appendix H: Methodology

Resident conditions & Jobs held by residents

The demographic data used in this report for Oakland residents come from the U.S. Census Bureau's 2006 American Community Survey (ACS), accessed through ready-made tables on American Factfinder. The American Community Survey is an annual survey of the U.S. population, and has been reported at various geographic levels. In 2006, the ACS reported 1-year estimates for the first time for cities and places with a population of over 65,000. The ACS relies on a sampling strategy, which is different from the more comprehensive decennial Census. After comparing a few key ratios of interest (poverty rate, unemployment, racial breakdowns), we chose to use demographic data for the 2006 ACS over the 2000 Census—choosing more recent data with relatively small margins of error over now seven year old economic data (many of the income statistics from the 2000 Census were gathered in 1999). The statistics reported are estimates and the margins of error were calculated at the 90% confidence interval. Where necessary, we recalculated the margins of error when reported categories were combined. The comparison estimates for the East Bay also come from the 2006 ACS. The East Bay estimates combine Alameda and Contra Costa county estimates.

Jobs in the region

The employment projections data come from the California Employment Development Department (EDD). The EDD produces employment projects based on previous year data from the Bureau of Labor Statistics and Census Bureau's Current Population Survey (CPS). The job projections encompass the Oakland-Hayward-Fremont Metropolitan Statistical Area (MSA) that encompasses both Alameda and Contra Costa Counties. The net new job estimates from the CA EDD are based on a combination of economic forecasts, using a series of economic models, and anticipated population growth over a ten-year period. We divided the EDD projections in half to come up with 5-year projections of new jobs. We then used the occupational projections to carve out the number of jobs accessible to workers with a bachelor's degree or less. The EDD wage data are from the first quarter of 2006.

The projected number of "marginally attached" workers were derived from Table A-12 of the *Monthly Labor Review* for September 2007, which lists unemployment rates (line U-3) and total unemployed, plus discouraged workers, plus all other marginally attached workers, as a percent of the civilian labor force plus all marginally attached workers (line U-5). We applied a ratio of 1.2, which was an average ratio for (U-5)/(U-3) from May 2007 to September 2007, not seasonally adjusted. There may be some overlap between these categories as a person's employment status can change over the course of a year.

Industry sector analysis

The economic sector analysis—mainly the health coverage, educational attainment, and wage tercile data—come from the March Current Population Survey (CPS). To be comparable to the Oakland Metropolitan Chamber of Commerce (OMCC), we use the same 4-digit industry-sector NAICS codes. We did not use the data for the Arts and Culture cluster. Due to the small sample size of the CPS for the variables of interest, we a) combined 2004-2006 data, and b) pooled Bay Area data for wages and California data for health coverage and educational attainment.

Note that OMCC's definition of Logistics and Trade included only Trade and Warehousing (NAICS codes 48 and 49), while other portions of our analysis include Wholesale Trade within Logistics (NAICS 42). Additionally, some data, such as the median tercile wages for the Green Jobs sector, are too small to be reliable, and we note those instances. Margins of error are as listed.

Median hourly wages in thirds (or terciles) of Bay Area and California-wide workers were calculated using 2006 inflation-adjusted dollars. The median wage for "lower 1/3" may be referred to as entry-level jobs, and the median wage for the "middle 1/3" is equivalent to the median wage for the sector.

End Notes

¹ David Binder Research. "Oakland Development Analysis." Memo to Oakland Development Policy Roundtable, May 17, 2006.

<http://www.workingeastbay.org/downloads/ONWRD%20poll%20results.pdf>.

² Head, James and Tanya Clark Marston. "Economic Development through a Racial Lens." San Francisco Foundation Report. September, 2007.

³ *Federal Register*, Vol. 71, No. 15, January 24, 2006, pp. 3848-3849.

<http://aspe.hhs.gov/poverty/06poverty.shtml>. Retrieved Oct. 26, 2007. Federal poverty statistics have not kept pace with increases in overall or regional costs of living.

⁴ The 8.8% is the lower-bound unemployment rate reported in the 2006 American Community Survey (ACS). The 6.9% rate is the not-seasonally adjusted unemployment rate reported by the California Employment Development Department, based on Current Population Survey (CPS) data.

⁵ The official unemployment rates only measure people who are out of a job and actively looking for work over a four-week period. Marginally attached workers are, "persons who currently are neither working nor looking for work but indicate they want and are available for a job and have looked for work sometime in the recent past." See Bureau of Labor Statistics. *The Employment Situation*. September 2007. <http://www.bls.gov/news.release/pdf/empsit.pdf>.

⁶ 2006 ACS. 18.1% of unemployed people age 25-64 have less than a high school degree, 59.0% have a high degree and/or some college, and 22.9% have a bachelor's degree or higher.

⁷ Data analysis and unpublished research by Urban Strategies Council.

⁸ A linguistically isolated household is one in which *no one* 14 years old and over either only speaks English, or no one speaks a non-English language and speaks English "very well." In other words, all members 14 years old and over in a linguistically isolated household have at least some difficulty with English. American Community Survey 2006 table B16002.

⁹ Unpublished research by Urban Strategies Council.

¹⁰ 2006 ACS Census, based on population 16 years and older who worked full time, year round. These figures are resident-based, and therefore reflect those who lived in Oakland and worked either inside or outside of the city. These sectors correspond with 2 digit NAICS codes.

¹¹ 2006 ACS Census. Hourly wages are based on full time, year round work from annual earnings.

¹² Estimates based on California Employment Development Department Occupational Projections for the Oakland-Hayward-Fremont Metropolitan Statistical Area (MSA) for 2004-2014. Ten-year estimates were halved to arrive at five-year estimates.

<http://www.labormarketinfo.edd.ca.gov/cgi/dataanalysis/?PAGEID=94>

¹³ Sectors are 2-digit NAICS codes based on California EDD industry sectors. Retail includes 44 and 45 of the 2 digit NAICS codes. Logistics includes codes 42 (Wholesale Trade) and 48 and 49 (Transportation and Warehousing). Professional, Scientific, and Technical services including Biotech included NAICS code 54, and Health care include NAICS code 62 (Health Care and Social Assistance). These percentages do not add up to 100% because we only list our sectors of interest. We were unable to use the Oakland Metropolitan Chamber of Commerce 4-digit NAICS Codes for this portion because not all 4-digit NAICS Codes were available from the California EDD industry sector employment projections.

¹⁴ California Budget Project. *Making Ends Meet: How Much Does it Cost to Raise a Family in California?* October 2007. http://www.cbp.org/pdfs/2007/0710_mem_003.pdf. Calculations of the % of jobs that pay below a Basic Family Wage are based on the median hourly wage by occupation, and occupational employment projects over a 10-year period from the California EDD.

¹⁵ We define low wage as paying less than the 2006 Oakland living wage of \$11.58 per hour, and high-growth as at least 10% growth in net new jobs over the next 10 years.

¹⁶ The American Community Survey in 2006 produced a higher estimate of unemployment than the California Employment and Development Department. Therefore, to be conservative, we used the lower bound of the unemployment figures to account in part for any overestimation in the ACS's sampling process.

¹⁷ This number represents a portion of our estimate of working age (16-64) people considered “not in the labor force.” The estimate for marginally attached workforce is based on BLS measurements of “labor underutilization.” Table A-12 of the *Monthly Labor Review* for September 2007 lists unemployment rates (line U-3) and total unemployed, plus discouraged workers, plus all other marginally attached workers, as a percent of the civilian labor force plus all marginally attached workers (line U-5). We applied a ratio of 1.2, which was an average ratio for (U-5)/(U-3) from May 2007 to September 2007, not seasonally adjusted (see also Footnote 4). Thus, our calculation of those the marginally attached (20,490 residents) represents 31.7% of the total Oakland “not in the labor force” population aged 16-64 (64,569 residents). There may be some overlap between these categories as a person’s employment status can change over the course of a year. We estimate the range of overlap between 2,000 and 6,000 total residents (or 500 to 1,500 of the total resident job goal).

¹⁸ Note, this figure is a one-time estimate based on 2006 data. If we assume population growth of 2% annually over the next five years, then the total residents grows by about 4447 over the next five years.

¹⁹ These estimates assume that meeting 25% of the state “high need” goal is evenly distributed among those who are unemployed, working but still in poverty, and marginally attached to the workforce.

²⁰ While green jobs and biotech may entail multiple industry sectors and hence be considered more of an industry cluster rather than a sector, we refer to them as sectors for the purposes of this report, and address the areas where cluster status is of relevance to the analysis. We use the same industry sector and cluster definitions as McKinsey Consulting Group in their study for the Oakland Chamber of Commerce, *Taking Stock of Oakland’s Economy*, April 2007.

²¹ Family sustaining wages are based on the percent of jobs that pay wages above the California Budget Project’s Basic Family Wage of \$18.53 for 2006. Wage distribution and family sustainable wage threshold analysis are based on UC Berkeley Labor Center’s analysis of Current Population Survey (CPS) Data for 2006, for residents in the Bay Area who work in the six sectors. CPS includes both full time and part time workers.

²² See Dube, Arindrajit, Ken Jacobs, Sarah Muller, Bob Brownstein, and Phaedra Ellis-Lamkins. *Declining Job-Based Health Coverage in the United States and California: A Crisis for Working Families*. January 2006. UC Berkeley Center for Labor Research and Education.

http://laborcenter.berkeley.edu/healthcare/declining_coverage06.pdf. Also Center on Policy Initiatives. *The Working Uninsured: An Analysis of Worker Health Coverage among California Industries*. July 2007. [http://www.onlinecpi.org/downloads/THE%20WORKING%20UNINSURED%20\(21%20pg.%20PDF\)_2.pdf](http://www.onlinecpi.org/downloads/THE%20WORKING%20UNINSURED%20(21%20pg.%20PDF)_2.pdf). This report utilized statewide data. The sample size for the Bay Area data was insufficient to assess health care provisions by industry sector.

²³ Conley Consulting Group. *Upper Broadway Strategy: A Component of the Oakland Retail Enhancement Strategy*. September 2007. Report prepared for City of Oakland.

²⁴ McKinsey Consulting Group in their study for the Oakland Chamber of Commerce, *Taking Stock of Oakland’s Economy*. April 2007.

²⁵ Conley Consulting Group. *Upper Broadway Strategy: A Component of the Oakland Retail Enhancement Strategy*. September 2007. Report prepared for City of Oakland.

²⁶ Center on Policy Initiatives, “The Working Uninsured: An analysis of worker health coverage among California industries.” July 2007. This study uses health insurance data gathered from the UCLA California Health Insurance Survey. State-wide health insurance coverage rates may vary from Bay Area rates.

²⁷ National Economic Development and Law Center, 2003. “Employing Offenders in San Francisco: A Sector Research Methodology.”

²⁸ Gray-Barken, Tracy. *Wal-Mart and Beyond: The Battle for Good Jobs and Strong Communities in Urban America*. Los Angeles Alliance for a New Economy. January 2007.

http://www.laane.org/docs/research/46-01_LAANE_WalMart.pdf. Also see Dube, Arindrajit, Ken Jacobs. “Hidden Cost of Wal-Mart Jobs: Use of Safety Net Programs by Wal-Mart Workers in California.” UC Berkeley Center for Labor Research and Education. August 2, 2004. <http://www.dsaua.org/lowwage/walmart/2004/walmart%20study.pdf>.

²⁹ Dube, Arindrajit, Ken Jacobs. “Hidden Cost of Wal-Mart Jobs: Use of Safety Net Programs by

- Wal-Mart Workers in California." UC Berkeley Center for Labor Research and Education. August 2, 2004. <http://www.dsausa.org/lowwage/walmart/2004/walmart%20study.pdf>.
- ³⁰ Gray-Barken, Tracy. *Wal-Mart and Beyond: The Battle for Good Jobs and Strong Communities in Urban America*. Los Angeles Alliance for a New Economy. January 2007. http://www.laane.org/docs/research/46-01_LAANE_WalMart.pdf
- ³¹ The following is unpublished research conducted by Brady Gordon, MCRP candidate, University of North Carolina Chapel Hill. Alameda County was the smallest geography of available data. The estimate attempts to isolate warehousing, intermodal, and distribution facility occupational workers (Standard Occupational Codes) from the larger transportation, warehousing, wholesale, and employment services industries (2-digit NAICS). The top 5 occupations for the warehousing and storage industry (3-digit NAICS) are: laborers and freight, stock, and material movers, hand; industrial truck and tractor operators; stock clerks and order fillers; shipping, receiving, and traffic clerks, and packers and packagers, hand. Estimates for Alameda County apply the percent of these top 5 occupational employment to each of the three 2-digit NAICS sectors: transportation and warehousing, wholesale trade, and employment services. These estimates assume the occupational distribution by industry in Alameda County is similar to the national distribution.
- ³² See methodology. Logistics and trade were defined by the Oakland Metropolitan Chamber of Commerce study as only Trade and Warehousing (NAICS 48 and 49) and not Wholesale Trade (NAICS 42).
- ³³ Center on Policy Initiatives. *The Working Uninsured: An Analysis of Worker Health Coverage among California Industries*. July 2007. [http://www.onlinecpi.org/downloads/THE%20WORKING%20UNINSURED%20\(21%20pg.%20PDF\)_2.pdf](http://www.onlinecpi.org/downloads/THE%20WORKING%20UNINSURED%20(21%20pg.%20PDF)_2.pdf).
- ³⁴ Unpublished research conducted by Brady Gordon, MCRP candidate, University of North Carolina using 2006 Occupational Employment Survey and California EDD data.
- ³⁵ Ibid. Temporary workers are within the "employment services" industry category.
- ³⁶ Bonacich, Edna and Jake B. Wilson. *Getting the Goods: Ports, Labor, and the Logistics Revolution*. Cornell University Press, November 2007.
- ³⁷ Rosynsky, Paul. "Teamsters: Port firms breaking city's wage law." *Oakland Tribune*, June 23, 2007.
- ³⁸ Ibid.
- ³⁹ See Oakland Airport's Request for Proposals (RFP) for Airport Terminal Concessions, February 8, 2006. Current RFPs are available here: <http://www.portofoakland.com/business/rfp/rfqs.asp>.
- ⁴⁰ Author's email communication with Carol Zabin, UC Berkeley Labor Center, October 10, 2007.
- ⁴¹ California EDD, Occupational projections. Oakland metropolitan area includes Alameda and Contra Costa counties.
- ⁴² Human Capital Portfolio Management Team and Health Workforce Solutions, "Defining the Front-line Workforce: Final Report." Robert Wood Johnson Foundation publication, August 2005. Front-line workers were further defined as workers with bachelor's degree education level or less, and median wages \$40,000 or below in 2003.
- ⁴³ The percentage of those who earn above a Basic Family Wage in the health care sector is not statistically significant or different from all the sectors combined in the Bay Area.
- ⁴⁴ Center on Policy Initiatives, 2007.
- ⁴⁵ CA EDD Labor Market Information Department poster: "Health Care Industry Careers—Room to Learn and Grow!" <http://www.calmis.ca.gov/file/occmisc/RoomPoster.pdf>.
- ⁴⁶ Unpublished report by Urban Strategies Council, 2004.
- ⁴⁷ Forthcoming (unpublished) report by the Workforce and Economic Development Program of the California Labor Federation, AFL-CIO, 2007.
- ⁴⁸ California EDD. Wages are based on first quarter 2006 median wage, and does not include self-employed or unpaid family workers.
- ⁴⁹ This higher wage is due to the California-wide establishment of a county-based "employer of record" and collective bargaining efforts by home care workers and SEIU Homecare Workers Local 616, now called the United Long-Term Care Workers' Union (ULTCW).
- ⁵⁰ Fitzgerald, Joan. *Moving up in the New Economy: Career Ladders for U.S. Workers*. 2006. Ithaca, NY: ILR Press p. 27.

⁵¹ Stone, Robyn I., Dr. PH et al., "Why Workforce Development Should Be Part of the Long-term Quality Care Debate." American Association of Homes and Services for the Aging and the Institute for the Future of Aging Services. October 2003.

⁵² Service Employees International Union. "Caring Till it Hurts" 2nd Edition. 1998. http://www.seiu.org/docUploads/caring_till_it_hurts.pdf. National figures show 20% of long-term care workers are uninsured, versus 14% of the general population.

⁵³ Zabin, Carol, PhD. "Quality Services and Quality Jobs for Supporting Californians with Developmental Disabilities." California Policy Research Center/CPAC Briefing Paper, March 2006.

⁵⁴ Stone, Robyn I., Dr. PH et al., "Why Workforce Development Should Be Part of the Long-term Quality Care Debate." American Association of Homes and Services for the Aging and the Institute for the Future of Aging Services. October 2003, p. 4. Also see ⁵⁴ Zabin, Carol, PhD. "Quality Services and Quality Jobs for Supporting Californians with Developmental Disabilities." California Policy Research Center/CPAC Briefing Paper, March 2006.

⁵⁵ Stone, Robyn I., Dr. PH et al., "Why Workforce Development Should Be Part of the Long-term Quality Care Debate." American Association of Homes and Services for the Aging and the Institute for the Future of Aging Services. October 2003

⁵⁶ Tate, Ryan. "East shore sites fill up with biotech, clean tech firms." *East Bay Business Times*, October 26-November 1, 2007.

⁵⁷ Barnow, Burt S. and Demetra Smith Nightingale. "An Overview of U.W. Workforce Development Policy in 2005." In *Reshaping the American Workforce in a Changing Economy*. Eds. Holver, Harry J. and Demetra Smith Nightingale. 2007. Washington D.C.: Urban Institute Press. P. 33.

⁵⁸ Ernst & Young, "Resilience – America's Biotechnology Report 2003," July 2003, p. 4. Cited in Peters, Janet, and Scott Slotterbeck, "Under the Microscope: Biotechnology in California." California Employment Development Department, Labor Market Information, June 2004.

⁵⁹ Peters, Janet, and Scott Slotterbeck, "Under the Microscope: Biotechnology in California." California Employment Development Department, Labor Market Information, June 2004.

⁶⁰ Center on Policy Initiatives. *The Working Uninsured: An Analysis of Worker Health Coverage among California Industries*. July 2007. [http://www.onlinecpi.org/downloads/THE%20WORKING%20UNINSURED%20\(21%20pg.%20PDF\)_2.pdf](http://www.onlinecpi.org/downloads/THE%20WORKING%20UNINSURED%20(21%20pg.%20PDF)_2.pdf).

⁶¹ Peters, Janet, and Scott Slotterbeck, "Under the Microscope: Biotechnology in California." California Employment Development Department, Labor Market Information, June 2004, p 33. All wages are for the 75th percentile hourly wage for occupations, some of which entail two or more Standard occupational Classification categories.

⁶² Peters, Janet, and Scott Slotterbeck, "Under the Microscope: Biotechnology in California." California Employment Development Department, Labor Market Information, June 2004, p. 33, Exhibit 5. Growing occupations is defined as positive reported growth from 2000-2010, according occupational employment projections from the CA EDD.

⁶³ Analyzed from Peters et al, p. 33, Exhibit 5. Fast growing occupations have at least 40% projected employment growth from 2000-2010.

⁶⁴ Fitzgerald, Joan. *Moving up in the New Economy: Career Ladders for U.S. Workers*. 2006. Ithaca, NY: ILR Press.

⁶⁵ Peters, Janet, and Scott Slotterbeck, *Under the Microscope: Biotechnology in California*. California Employment Development Department, Labor Market Information, June 2004, p. 31.

⁶⁶ Tansey, Bernadette. "Program opens biotech doors to teens through classes, jobs." *San Francisco Chronicle*. E1, August 26, 2007.

⁶⁷ https://portal.acs.org/portal/PublicWebSite/education/resources/twoyear/rollmodels/CTP_003869. Accessed November 5, 2007.

⁶⁸ "A Tale of Two Economies: Food Service Workers in the High-Tech-Biotech Corridor." Report by UNITE HERE Local 19 (San Jose) and Local 2 (San Francisco), November 2006.

⁶⁹ Joel Makower et al, "Clean-Energy Trends 2006." (Clean Edge: March 2006), www.cleandedge.com/reports-trends2006.php. As cited in "Community Jobs in the Green Economy." Apollo Alliance and Urban Habitat publication, 2007.

⁷⁰ "Jobs in L.A.'s Green Technology Sector, 2006." Economic Roundtable, Prepare for the Department of Water and power and the Workforce Investment Board of the City of Los Angeles.

⁷¹ Ibid.

⁷² Ibid. Wages are based on 2005 California EDD data.

⁷³ Ibid.

⁷⁴ Abate, Tom. "Mother's Cookies Crumbling." *San Francisco Chronicle*, April 4, 2006.

⁷⁵ EDAB has since been renamed the East Bay Economic Development Alliance (East Bay EDA).

⁷⁶ A 2006 study for the Mayor's Office of Sustainability also cited a Toronto study showing that food processing had ripple effects and links in other economic sectors, including "tourism, biotechnology, packaging, environment, resource recovery, and advertising." Unger, Serena and Heather Wooten. "Oakland Mayor's Office of Sustainability and UC Berkeley Department of City and Regional Planning. A Food Systems Assessment for Oakland, CA: Toward a Sustainable Food Plan." May 24, 2006, p. 41.

⁷⁷ Fike, David. "Labor Market Study Target Industry Cluster: Food Processing & Distribution." Oakland Workforce Investment Board, Oakland Community and Economic Development Agency. August 2004. As cited in Unger, Serena and Heather Wooten. "Oakland Mayor's Office of Sustainability and UC Berkeley Department of City and Regional Planning. A Food Systems Assessment for Oakland, CA: Toward a sustainable food plan." May 24, 2006.

⁷⁸ Oakland Planning Commission, Zoning Update Committee, January 17, 2007.

⁷⁹ Hasen/Murakami/Eshima, "Alameda County's Jobs and Economic Development Project Food Processing Study." February 1998. Prepared for Alameda County Economic Development Alliance for Business (EDAB) and Community Bank of the Bay. <http://www.edab.org/study/Food%20Processing%20Study.pdf>

⁸⁰ Achtelik, Laurie et al, Labor Market Information Division, California Employment Development Department. "Manufacturing Careers." March 2007.

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⁸³ National Economic Development and Law Center, 2003. "Employing offenders in San Francisco: A sector research methodology."

⁸⁴ Hasen/Murakami/Eshima, "Alameda County's Jobs and Economic Development Project Food Processing Study." February 1998. Prepared for Alameda County Economic Development Alliance for Business (EDAB) and Community Bank of the Bay. <http://www.edab.org/study/Food%20Processing%20Study.pdf>

⁸⁵ The American Community Survey in 2006 produced a higher estimate of unemployment than the California Employment and Development Department. Therefore, to be conservative, we used the lower bound of the unemployment figures to account in part for any overestimation in the ACS's sampling process.

⁸⁶ Estimate for marginally attached workforce is based on BLS measurements of "labor underutilization." Table A-12 of the Monthly Labor Review for September 2007 lists unemployment rates (line U-3) and total unemployed, plus discouraged workers, plus all other marginally attached workers, as a percent of the civilian labor force plus all marginally attached workers (line U-5). We applied a ratio of 1.2, which was an average ratio for (line U-5)/(line U-3) from May 2007 to September 2007, not seasonally adjusted.

⁸⁷ These estimates assume that meeting 25% of the state "high need" goal is evenly distributed among those who are unemployed, working but still in poverty, and marginally attached to the workforce.

⁸⁸ Multiple-year CPS data were combined to create a sample size great enough to conduct a wage tercile analysis by industry. See methodology for more information.