

Merced County
Private Industry Training Department

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MEMORANDUM

June 7, 2000

To: Members of the Workforce Investment Board
Members of the Workforce Investment Board Youth Council

From: Steve Tinetti, Interim Workforce Investment Board Chair

Subject: Presentation of Labor Market Study by Center for Public Policy Studies at California State University Stanislaus, Tuesday, July 11, 2000, at 11:00 a.m.

A joint venture between economic development and workforce development entities (known as WorkNet) has resulted in a contract with the California State University Stanislaus, Center for Public Policy Studies, for an analysis of the Merced County labor market changing demographics and options for economic development.

The results of this critical study will be of great interest to the Workforce Investment Board (WIB) and the WIB Youth Council, and should impact the goals and strategies of these bodies. A preliminary report will be presented to the Board of Supervisors on Tuesday, July 11, 2000, at 11:00 a.m., in the County Administration Building, 2222 M Street, Board Chambers, Third Floor. You are invited to attend.

About the Study – The goals of this study are to 1) explore the underpinnings of the local economy; 2) identify the area’s economic and human capital challenges and assets; and 3) make policy and programmatic recommendations. To accomplish these objectives, it will be necessary to address several questions:

- a. How has the Merced County economy evolved over time, and how does it compare—economically and demographically—to other areas? What are the reasons for the gaps between Merced and the state with respect to unemployment, earnings, and income? How has Merced County’s nonfarm wage and salary employment picture changed over the long run? What do these changes suggest about opportunities in Merced? What have been the effects of proprietor and farm employment on the local economy?
- b. What are the characteristics of the unemployed and welfare recipients who are required to enter the labor market? What are the barriers to employment faced by these groups?

“Preparing people for today’s jobs and tomorrow’s careers.”

- c. What are the characteristics of participants in PIC job training? How do employers assess off-site and on-site job training?
- d. What are the reasons for reported high unemployment rates in Merced County and to what extent do these rates serve as an accurate gauge of the County's economic performance?
- e. What are Merced County's human capital and educational assets, and how can they be strengthened?
- f. How do employers assess the skills of the workforce, the barriers to employment, and the prospects for job expansion?
- g. Which industries and industry sectors have the highest employment and income multipliers? Which are most likely to export their products and services outside the County? What are the contributions of each industry to total industry output and the gross county product?
- h. What are the most prominent industry clusters in Merced County, and what are the prospects for emerging and new clusters?
- i. Which strategies and policies hold promise for improving the employment picture and economic development potential of Merced County?

The Private Industry Council and Private Industry Training Department were major contributors to this study. Other sponsors include:

Merced Community College
Merced County Human Services Agency
Merced County Office of Education/School to Career
Merced County Office of Business and Economic Development
Greater Merced Chamber of Commerce
Hispanic Chamber of Commerce
Merced County Chamber of Commerce
Merced County Economic Development Corporation
City of Merced/Economic Development
State of California Employment Development Department