



COUNTY OF SANTA CRUZ

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WORKFORCE REPORT IDENTIFIES GROWTH AREAS, CHALLENGES

Santa Cruz County's 2019 State of the Workforce report shows strong potential for labor market and economic growth in established and emerging sectors, but continuing challenges including the housing crisis, workforce preparedness and geographic disparities.

According to the study by Beacon Economics, an independent research and consulting firm, wages are continuing to rise and post-secondary educational attainment exceeds other Central Coast counties. Local unemployment continues to hover near historic lows.

The highest paying occupations by median wages are Computer and Mathematical (\$77,000), Management (\$63,000), and Architecture and Engineering (\$56,000). However, Santa Cruz County remains a net exporter of workforce talent, with residents age 25 and above who commute out-of-county earning significantly higher wages than counterparts who work closer to home.

"As we make decisions about priorities and projects, it is important that quality data is part of the foundation of those decisions," Workforce Development Director Andy Stone said. "Our annual State of the Workforce report informs everything from the County's Strategic Plan to how we help residents keep up with a changing job market."

Despite some positive indicators, local conditions continue to impact the local labor market. The percentage of persons age 25 to 29 who remain living with parents or in-laws jumped from 17 percent in 2012 to 46 percent in 2017. And fewer than one-third of the County's high school graduates are deemed prepared according to the College/Career Indicator, far below the statewide average of 42 percent.

"Without action, the housing crisis will continue to pose significant challenges for Santa Cruz County's workforce, particularly younger workers and those in the earlier phases of their career," said Adam Fowler, Beacon Economics' Director of Research. "The County



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can also do a better job preparing students for college, which increasingly is one of the only paths to staying in the community where they grew up."

The report also highlights continuing geographic disparities between North County and South County job creation, with North County jobs growing at twice the rate of South County jobs between 2012-2017. Overall, North County jobs outnumber South County by nearly 5-to-1.

Key industries identified in the report include the Education/Health industry and includes the County's largest private employer by sector; the Transport/Warehouse/Utilities subsector, with a 27.7 percent growth rate; and Manufacturing, an important growth representing one of the highest-paying industries in the County. The Finance and Insurance industry remains the highest-paying sector in Santa Cruz County.

The report also noted a rapid increase in retirees, with the County's retiree-to-worker ratio now higher than Alameda, San Francisco, Santa Clara and Monterey counties. And while the overall percentage of county workers with at least a bachelor's degree increased, the county also shed over 6,000 workers with less than a high school diploma, reflecting an almost 30 percent decline in just five years.

The State of the Workforce report provides a baseline of opportunities and challenges in the local economy. The data helps inform the actions of the Workforce Development Board (<https://santacruzhumanservices.org/WorkforceSCC/SantaCruzWDB>), Santa Cruz County Office for Economic Development (www.sccvitality.org) and the County's Strategic Plan (<http://www.santacruzcounty.us/SP>).

The full report can be [found here](#).