

Workforce Development Update

September 1, 2021

SUMMARY

The COVID-19 pandemic brought about unprecedented change along numerous dimensions. The labor market and the way work is done were both significantly impacted. Following is an update on the Riverside County Workforce Development Division’s efforts to support a resilient recovery from those impacts. Our efforts continue to be driven by concerns about COVID’s unequal affects across populations, geography, and industry sectors.

Action steps in addressing concerns include: (1) Expand access to childcare, (2) target displaced workers for upskilling, (3) expand access to technology and related skills, (4) address socio-economic effects among youth, (5) target workforce development activities in areas of highest unemployment (6) target workforce development activities in areas with lowest socio-economic indicators, (7) nurture growth in industries that expanded during COVID, and (8) support recovery of industries with highest job losses during COVID.

CONCERNS AND ACTION STEPS

COVID Did Not Impact All Populations Equally

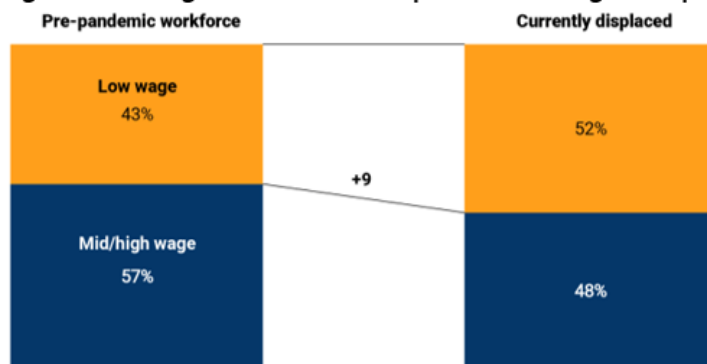
Data evidence significant labor market disparities related to demographic characteristics. Specifically, COVID differentially impacted Riverside County residents along the dimensions of parental status, race, household income, and age.

Well before the COVID-19 pandemic, childcare was a commonly cited barrier to employment, a situation that only worsened over the past 18 months. Stay at home orders along with closure of schools and childcare facilities significantly impacted the lives of working parents attempting to maintain their current employment status or re-enter the workforce. Over the course of the pandemic, the state of California lost an estimated [8,500 childcare facilities](#). Relatedly, [42% of households](#) in the Inland Empire with children under the age of five reported a disruption in childcare services from the period of July 21, 2021 to August 2, 2021. Lack of trusted and reliable childcare options represents an ongoing barrier to employment for the local labor force.

! *Concern: A lack of childcare resources was and continues to be an obstacle for working parents.*

Pre-COVID, people of color were more likely to experience [higher unemployment rates and lower wages](#) on average. Additionally, people of color tended to have a higher representation in jobs defined as “lower wage.” A [report](#) commissioned by the Federal Reserve Bank of New York found those in lower wage jobs had a greater chance of being unemployed in 12 months than finding a higher paying job within that same time frame. The pandemic exacerbated these economic trends, with lower wage jobs taking the brunt of the crisis (see Figure 1). The pandemic’s disparate impact on people of color is further evidenced in [data on unemployment rates](#).

Figure 1. Low Wage Earners are Overrepresented Among the Displaced²



Low-income individuals and households represent a third demographic hit hard by the pandemic. The most immediate impacts to this population were made visible by the [digital divide](#) in which the digitally under-resourced lacked access

to teleworking opportunities, applying online for benefits such as unemployment, or even utilizing technological tools helpful during stay-at-home orders (e.g., food and grocery delivery services).

! Concern: COVID exacerbated pre-pandemic economic inequities, beleaguering underserved populations.

Youth and young adults (ages 16-24) are a fourth demographic group that experienced significant COVID-related repercussions. Pre-COVID, youth unemployment rates tended to be higher relative to the rest of the population. While youth unemployment has decreased from its pandemic high, that age group continues to grapple with high unemployment (see Figure 2). Although many youths are not employed because they are in school, the number who were neither in school nor employed **doubled** during the pandemic. Disconnection from traditional institutions of support is likely to blame for the **1 in 4 youth** who reported struggling with their emotional and cognitive health.

Youth whose families are low income have been additionally affected. Of youth ages 18-24, **56%** live in households that experienced unemployment due to COVID-19. It's estimated that **a third of young people** are worried about meeting their basic needs (e.g., food, medicine, safety). Furthermore, youth in lower-income families are also more likely to remain unemployed after COVID-19 (see Figure 3).

Figure 2. U.S. Unemployment Rates by Age Group ³

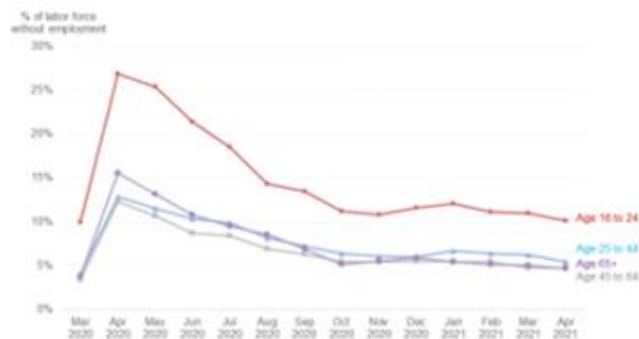
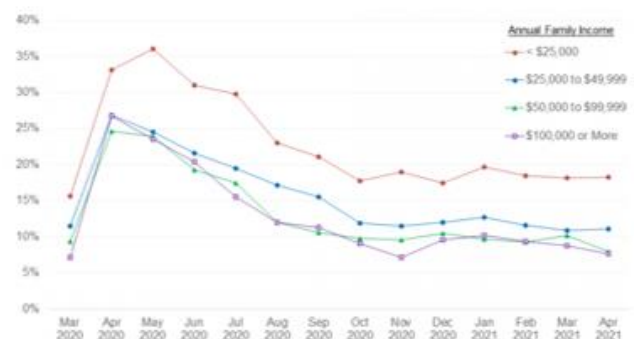


Figure 3. Youth Unemployment by Household Income ³



! Concern: COVID caused detrimental socio-economic effects for youth and young adults, including high unemployment and disconnection from traditional institutions of support.

✓ Action Steps

#1 Expand access to childcare for the workforce.

- a. Convene and facilitate collaboration among childcare providers, employers, and community organizations.
- b. Map out childcare resources throughout Riverside County and make publicly available.
- c. Provide technical assistance to individuals who want to open a childcare business.

#2 Target individuals displaced from lower wage jobs for upskilling.

#3 Expand access to technology and digital skills for low-income adults.

#4 Mitigate socio-economic effects COVID had on youth and young adults.

- a. Expand youth services to augment the existing Youth Opportunity Center system.
- b. Engage youth and young adults in paid work experience, including through apprenticeships and pre-apprenticeships targeted at jobs with promising career ladders and/or occupations related to COVID response (e.g., public safety, emergency medical services, paramedic, etc.)
- c. Outreach to adults in youth participants' households for multi-generational impact.

COVID Did Not Impact All Geographic Areas Equally

Riverside County’s unemployment rate changed dramatically due to COVID, spiking from 4.1% to 15.8% in just three months. While COVID’s impact to the County as a whole was drastic, it was not consistent across regions within the County. Based on data from the California Employment Development Department (EDD), the Countywide average unemployment rate was 7.8% during the six-month period from January to June of 2021 ¹. During that same period, however, 12 of the 48 areas tracked by EDD maintained an average unemployment rate of 9% or higher. Those areas include the cities of Banning, Coachella, Desert Hot Springs, Hemet, Moreno Valley, Perris, and San Jacinto; and the unincorporated areas of East Hemet, Highgrove, Lakeland Village, Mecca, and Winchester.

! *Concern: Certain geographic areas within Riverside County have significantly higher unemployment rates.*

Socioeconomic indicators identified certain census tracts in the County as being disadvantaged communities. The [Healthy Places Index](#) (HPI) is one such indicator of socioeconomic barriers that result in a risk of lower life expectancy among other negative outcomes. Moreover, the County of Riverside identified unincorporated areas as tending to be under-resourced and in need of targeting with programs and services. Census tracts with low HPI scores that are also in unincorporated areas are inherently more vulnerable to COVID’s negative impacts.

! *Concern: Certain geographic areas in the County are under-resourced and score lower on socioeconomic indicators.*

✓ Action Steps

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| <p>#5 Expand access to Workforce Development Services in the areas of highest unemployment.</p> <ul style="list-style-type: none"> a. Connect displaced workers in identified areas with job preparation, job placement, and vocational skills training including a focus on large scale initiatives such as public safety (e.g., emergency medical services, paramedic, etc.), and apprenticeships in non-traditional industries (e.g., healthcare, manufacturing, cybersecurity). b. Conduct job and resource fairs in identified areas. | <p>#6 Expand access to Workforce Development Services in the lowest scoring HPI census tract in unincorporated areas of each Supervisorial District.</p> <ul style="list-style-type: none"> a. Station Workforce Development staff at partner locations in identified areas to provide career coaching, job preparation, job placement, and vocational skills training including a focus on large scale initiatives such as public safety and apprenticeships in non-traditional industries. b. Conduct job and resource fairs in identified areas. |
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COVID Did Not Impact All Industries Equally

Not only has the COVID-19 pandemic disproportionately impacted different demographics and regions, it also disproportionately impacted industry sectors, causing some businesses to grow while others struggled. Figure 4 illustrates COVID’s disparate impact across industries from December 2019 to December 2020. While the Transportation and Logistics sectors gained jobs during that period, the Accommodation and Food Services industry suffered the most, accounting for almost 48% of all jobs lost. Retail Trade also lost over 13,000 jobs during that same period.

! *Concerns: ▪ Maintaining employment gains in Transportation, Warehousing, and Construction sectors.
▪ Mitigating employment losses in Accommodation, Food Service, and Retail sectors.*

Getting back to business and getting businesses fully staffed is a top concern for most employers. Figure 5 highlights the making of a recovery as some workers returned in the first five months of 2021. However, the number of lost jobs that are still unfilled remains significant. Singling out the Accommodations and Food Services sector again, the industry as a whole is still down more than 37,000 positions, leaving many of those businesses unable to open at full capacity.

Figure 4. Change in Employment by Sector (IE), December 2019 - December 2020⁴



Figure 5. Change in Employment by Sector (IE), January 2021 – May 2021⁴



! *Concern: Employers want to get back to business, but labor shortages are a barrier.*

Many residents have found themselves rethinking what they want from work. This has led to people leaving their jobs to forge new professional paths while displaced workers revise their expectations about future job prospects. The phenomena, dubbed the “Great Resignation” and the “Great Reassessment”, respectively, are not specific to Riverside County or even to California. Rather, they are a nationwide issue causing unpredictability in labor markets. COVID altered the way work is done in remarkable ways- virtual meetings, teleworking, and automation, are examples. Employers must adapt to new ways of work or risk obsolescence.

! *Concern: Displaced and incumbent workers are re-assessing career options and workplace expectations.*

✓ Action Steps

#7 Nurture growth in industries that expanded during COVID.

- Place dislocated Workers in high-growth industries by implementing a Workforce Development Skills Matching Strategy.
- Provide layoff aversion assistance to improve business processes, access information and other resources, and increase businesses’ capacity to retain talent.
- Provide incumbent worker training to equip employees with skills needed for businesses to navigate automation and other changes in the way work is done.

#8 Support recovery of industries that suffered the highest job losses during COVID.

- Create a pipeline of candidates with job fairs, including fairs for teleworking positions, and an online job board dedicated solely to County employers: www.rivcojobs.org.
- Hyper-focus workforce resources on the Restaurant and Hospitality industries with (a) fast-track worker preparation through sector-specific bootcamps and (b) a website to connect job seekers with sector job and training opportunities: <https://rivcorestaurantjobs.org>.
- Facilitate positive cash flow through On-the-Job Training programs that reimburse employers for a portion of costs of training new hires.
- Launch employer tool kit to help businesses identify and more readily obtain workforce development resources and assistance.

The COVID-19 pandemic continues to evolve in terms of case counts, masking requirements, and shut down orders. Because the situation is fluid, the workforce development response must be equally flexible. Therefore, this Update is a living document and may be adjusted from time to time as appropriate. Riverside County Workforce Development will also provide periodic updates on progress on Action Steps, which will be posted at www.Rivcoworkforce.com.

¹ California Employment Development Department <https://www.labormarketinfo.edd.ca.gov/>

² Brookings Institute <https://www.brookings.edu/research/the-pandemic-hurt-low-wage-workers-the-most-and-so-far-the-recovery-has-helped-them-the-least/>

³ U.S. Department of Health and Human Services <https://youth.gov/youth-topics/employment-during-covid-19>