



Section VIII



Labor Market Strengths and Weaknesses



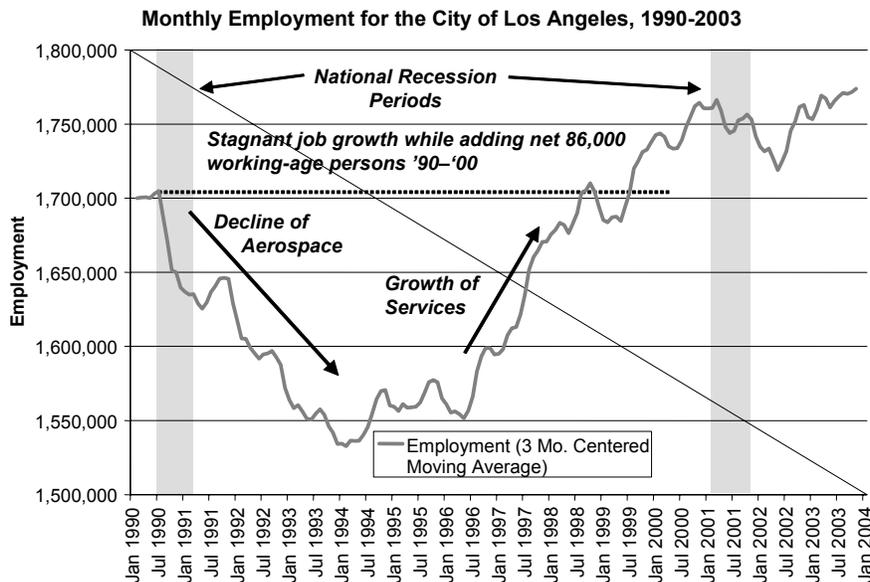
Labor Market Strengths and Weaknesses

Introduction

Los Angeles was home to 3.9 million people, and 1.7 million workers were employed at public and private establishments within city boundaries in 2003. This large regional economy is made up of many diverse geographic and industrial elements. Despite what appears to be a large and robust economy, the workers and employers in Los Angeles still have challenges to overcome. In 2003, the unemployment rate for the City of Los Angeles was 8 percent; 136,000 people who wanted a job could not find one. Further, according to the 2000 U.S. Census, 24 percent of city residents worked at jobs that did not pay a living-wage.

An examination of Los Angeles County's recent economic history shows a region undergoing extensive change. This is illustrated in Figure 1. Over the last 15 years, the Los Angeles regional economy suffered through two national recessions. The first officially began in July 1990 and ended in March 1991. But at the local level it began a period of economic contraction that lasted nearly five years. Job loss ended in 1994 as growth of the service economy helped stimulate economic expansion within the region through 2000. Industries with the greatest job growth included local government, health care, education, retail trade and restaurants. Between the end of the 1990 recession and beginning of the 2001 recession, the working age population of the city grew by 86,000 people. However, Los Angeles did not recover the number of jobs lost after the 1990 recession until mid-1999 and has added few since 1999. It is no surprise then, that the unemployment rate in the city remains significant.

Figure 1-VIII



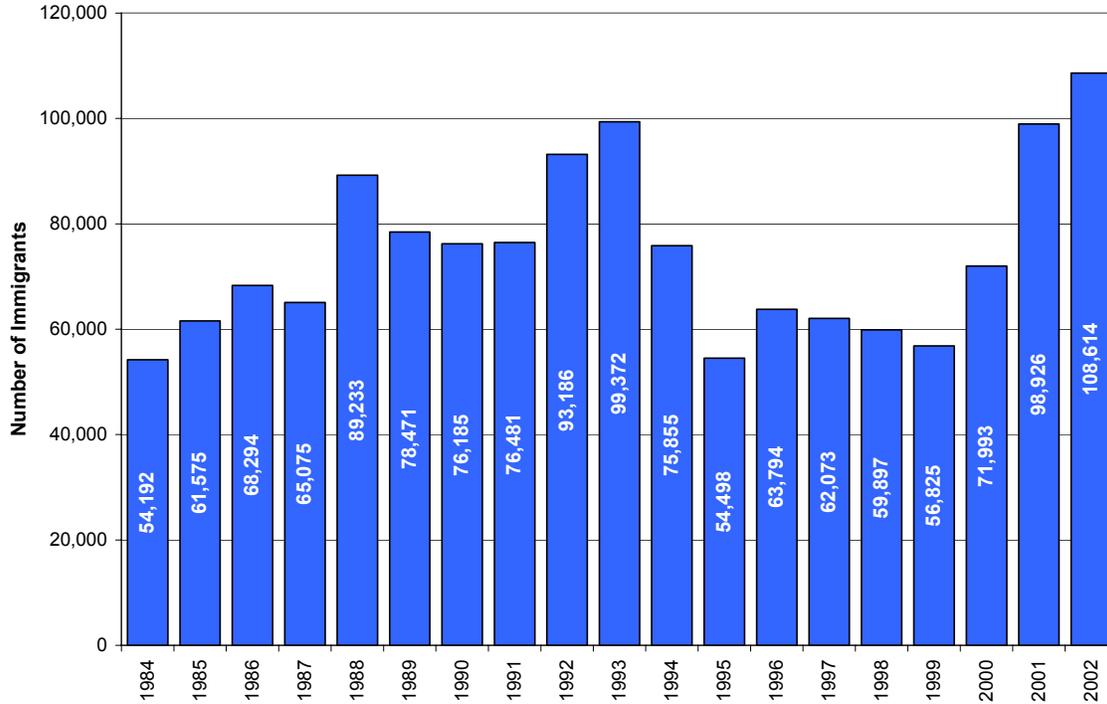
Source: Economic Roundtable and the Current Population Survey



Figure 2-VIII

Legal Immigration To Los Angeles County, 1984-2000

Source: California Department of Finance, Demographic Research Unit



Given recent economic events, the challenge for the City of Los Angeles is to promote long-term economic development by providing workers with living-wage jobs that offer opportunities for career advancement. Clearly with 1.7 million workers, Los Angeles has a large and robust economy, however with unemployment hovering around 8 percent, a growing working age population and a continuing inflow of immigrants (Figure 2), the city needs to continue to help its economy develop in a way that provides sustaining jobs for those that want to work. A self-sustaining workforce is critical to a healthy city economy. In order to affect positive change, civic leaders need to have a profile of the current state of its workforce and its employers to identify areas of strength and need. This chapter provides such a profile.

Constructing a Profile of the Los Angeles City Labor Market and Job Market

This chapter assembles employment and earnings data from public and confidential data sources in order to construct a profile of the city’s labor market and job market, and prescribe customized lists of target industries and occupations for policy intervention. We analyze the employment characteristics of Los Angeles residents as well as the profile of businesses located in the city. Later, special attention is given to understanding government employment, given that local government and schools are major employers in the city and the county. This chapter culminates in a presentation of criteria for defining “target industries” and “promising occupations” that should become the focus of the city’s efforts to spark employment and earnings growth. This analysis is the groundwork upon which discussions of raising needed investment capital and sparking job creation can proceed.



We constructed a profile of the Los Angeles city labor market and its job market using two principle sources of data: the 2000 U.S. Census Five-percent Public-use Microdata Sample (PUMS data) and the Covered Employment and Wages Dataset for 1996-2002 from the California Employment Development Department (commonly known as ES-202 employer payroll tax data). Using the PUMS data we produced a detailed profile of working residents of the City of Los Angeles and its seven major planning areas. The ES-202 data includes every employer in the city that pays payroll taxes and it provides information on monthly employment, quarterly payroll, and the specific industry and geographic location of employers. Using these two datasets, we constructed profiles of the resident labor force and the resident employers in the City of Los Angeles. Note that resident workers may work at establishments outside the city and employers may hire workers that reside outside the city. Thus, the populations in the two datasets are not perfectly aligned. However, using them together, we can identify the best opportunities to provide resident workers with the training and skills they need to find sustaining jobs within the city, and identify resident industries that offer the best opportunities for workers to earn a living-wage and pursue long-term careers.

The city and its seven planning areas are displayed in Map 1. For three of the planning areas (West Los Angeles, South Los Angeles, and Harbor) we also included analysis that combines these planning areas with surrounding municipalities.

Defining Poverty

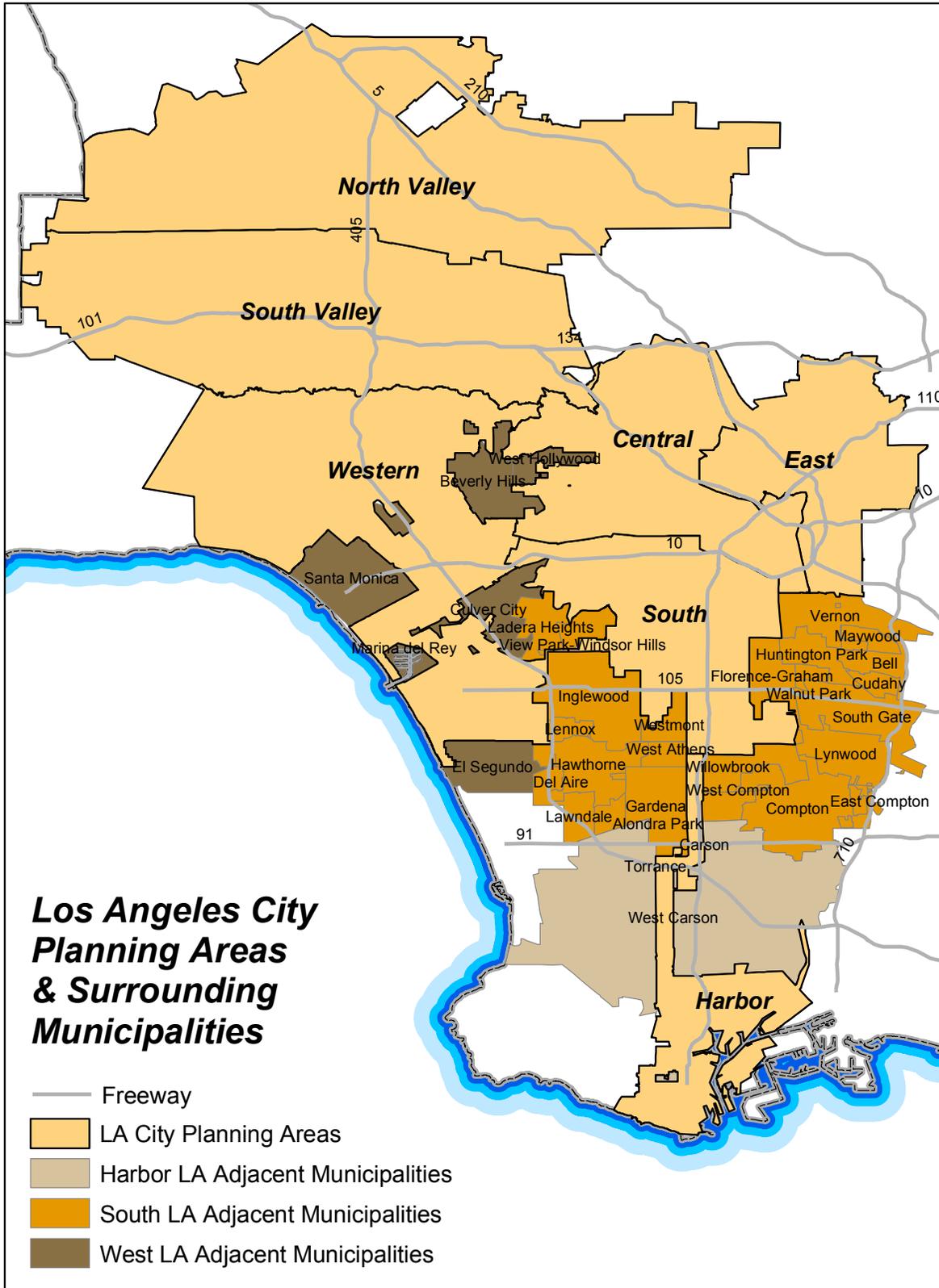
Each year the U.S. Federal Government defines poverty thresholds for families of different sizes. The poverty threshold is the same for every city in the United States even though the cost of living varies across the country, thus what may be a sustaining income in one region may not be enough in another. Los Angeles is a relatively expensive place to live, therefore the established federal poverty levels may be low for this region. Throughout this section we use 150 percent of the federal poverty level for a one-parent, two-child family as a standard of comparison. This 150 percent level for a one-parent two-child family in the 2000 Census, which reported income in 1999, is \$20,134. Throughout the section on Los Angeles' Resident Workers and in the detailed charts and tables displayed in the Data Appendix, we use \$20,134 as a point of comparison for identifying industries and occupations that are likely to offer sustaining jobs.

Los Angeles' Resident Workers

Our profile of the Los Angeles city labor market is based on the 2000 U.S. Census Five-percent Public-use Microdata sample. This rich data source allows users to create custom cross-tabulations of census data not available in other census products. For the complete labor market profile, we identified four broad demographic groups: all workers, workers that earned less than a living wage in 1999, workers who report limited English proficiency (LEP), and workers who are recent immigrants (arrived in or after 1990). For these four broad groups, we examined their distribution among planning areas, their employment and their average earnings. Clearly there is too much information to present in the body of this section, however a full complement of charts and tables about Los Angeles' resident workers are available in the Data Appendix of Section IX. The rest of this section examines key points from the labor market analysis.



MAP 1-VIII





Distribution of Resident Workers

The distribution of three demographic groups among the planning areas of Los Angeles is displayed in Figures 3 and 4. The distribution of all employed workers at the time of the U.S. Census (April 2000) are displayed in Figure 3. The South Valley and North Valley are home to the largest proportions of resident workers in the city. The Harbor Area has the smallest proportion at 5 percent.

Figure 3-VIII
Percent of LA's Residential Labor Force in 2000 of 1,690,316 Workers That Lived in Each Planning Area

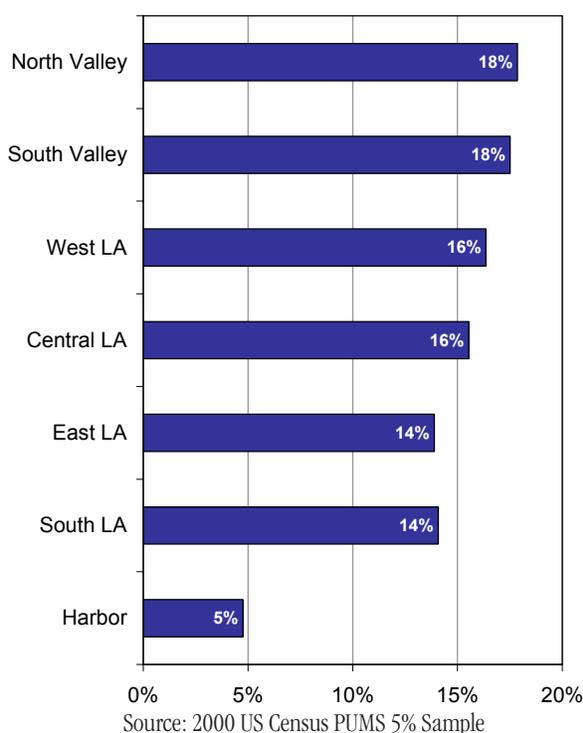
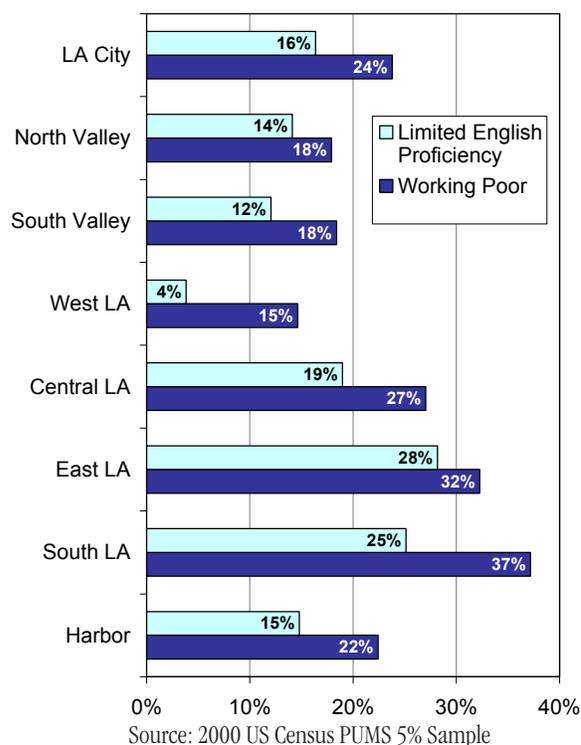


Figure 4-VIII
Percent of LA City Working Residents Who Report Limited-English Proficiency or are Working Poor



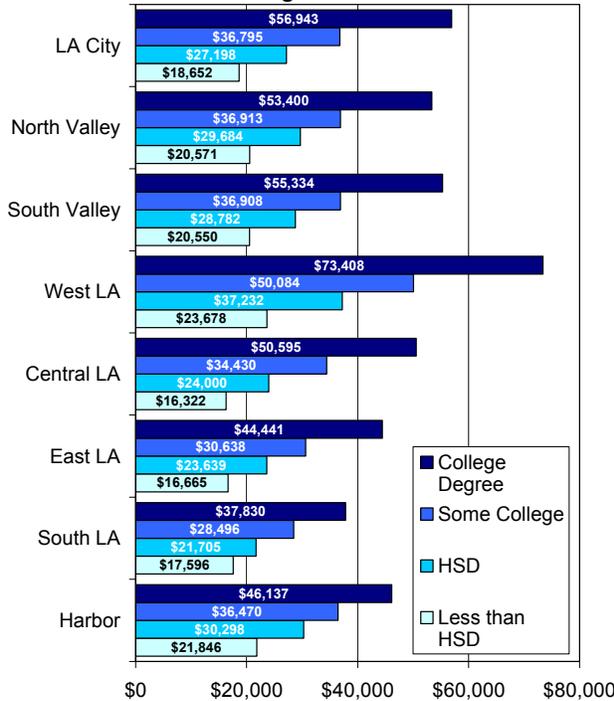
Limited-English proficient residents and the working poor are displayed in Figure 4. Overall, 24 percent of resident workers held jobs that did not provide a living wage in 1999. LEP workers made up 16 percent of employed workers. Over one-third of workers in South Los Angeles and East Los Angeles did not earn a living wage in 1999, and a quarter of workers in each area had limited-English proficiency.

These two charts provide a first glimpse of what is a recurring theme in Los Angeles. There is a rough northwest–southeast divide in the prosperity of resident workers. The Harbor Area, South Los Angeles and East Los Angeles have the smallest proportions of employed residents and the largest proportions of working poor and LEP workers.



Figure 5-VIII

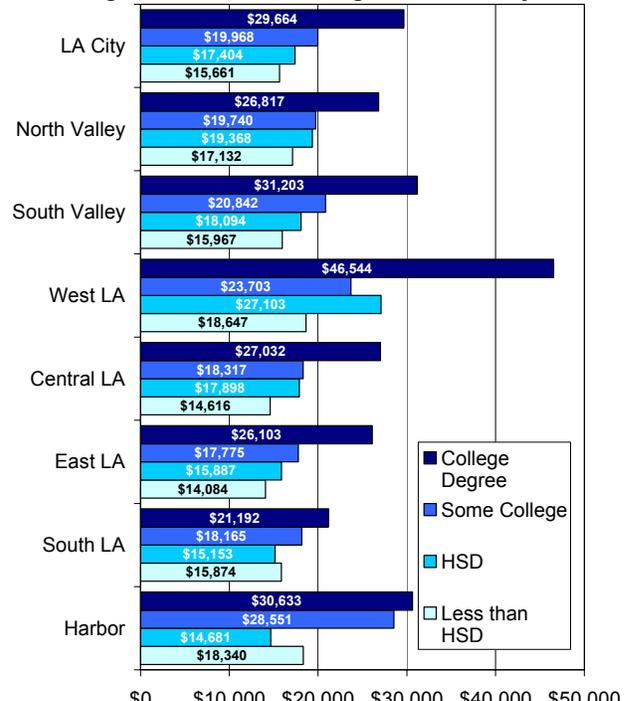
Average 1999 Wage/Salary Earnings and Education Level for LA City's Age 24+ Working Residents



Source: 2000 Census PUMS 5% Sample

Figure 6-VIII

Average 1999 Wage/Salary Earnings and Education Level for Working Residents Age 24+ with Limited-English-Proficiency



Source: 2000 Census PUMS 5% Sample

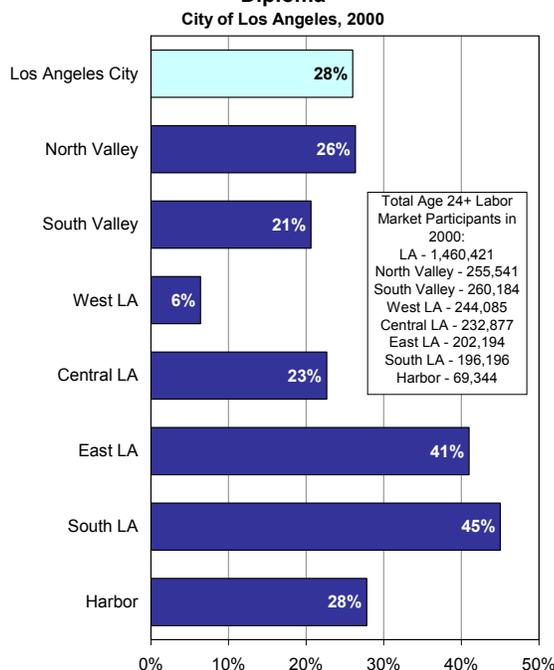
Educational Achievement of Resident Workers

There is a clear relationship between educational achievement and wage-salary income for workers. It is well established that, on average, higher educational achievement is linked to higher earnings. The educational achievement and wage-salary incomes of the city's working residents are displayed in Figures 5 and 6. For the city as a whole and for every planning area, higher education is related to higher wage-salary incomes. Although the returns to education are not as large, Figure 6 illustrates that the same relationship still holds for LEP workers. Note that in Figures 5 and 6, we only consider workers age 24 and older since they have lived enough years to have pursued a college education.

There is large variation in the educational achievement of the city's resident labor force. The proportion of resident workers without a high school diploma is displayed in Figure 7. For the city overall, just over one-quarter of the resident workforce did not have a high school diploma. This translates into 408,917 adults. The distribution of this population is uneven among the planning areas. In West Los Angeles, only 6 percent of resident workers do not have a high school diploma. In contrast, more than 40 percent of resident workers in South Los Angeles and East Los Angeles do not have a high school diploma. The remaining planning areas are similar to the city overall. Clearly, the East Los Angeles and South Los Angeles planning areas should be targets of continued workforce training and skill upgrading, especially programs that serve adult learners. Further, Figure 4 shows that these are also areas of high concentrations of LEP workers, thus training programs that include an English-language learning component are needed.



Figure 7-VIII
Proportion of Age 24+ Labor Market
Participants With Less than a High School
Diploma



Source: 2000 Census PUMS 5% Sample

Industries and Occupations of Resident Workers

Using the 2000 PUMS data, we identify the industries and occupations in which Los Angeles city residents find employment. This provides another window to the skills and abilities of resident workers. It also can help identify areas of competitive strength in the city economy.

The leading industry employers of noncitizen residents, working poor residents and all Los Angeles city residents are displayed in Figure 8. The leading industry employers of working residents include restaurants, construction, elementary and secondary schools, and motion pictures. Working poor residents concentrate in restaurants, construction, private households, and cut-and-sew apparel manufacturing. The working poor represent employed people whose total household earnings are less than 150 percent of the federal poverty level. Recent noncitizen immigrants concentrate in restaurants, construction, and cut-and-sew apparel manufacturing. Interestingly, immigrants and the working poor concentrate in similar industries. This suggests that immigrants and the working poor compete for similar jobs and that many of Los Angeles' newest residents are struggling with poverty.

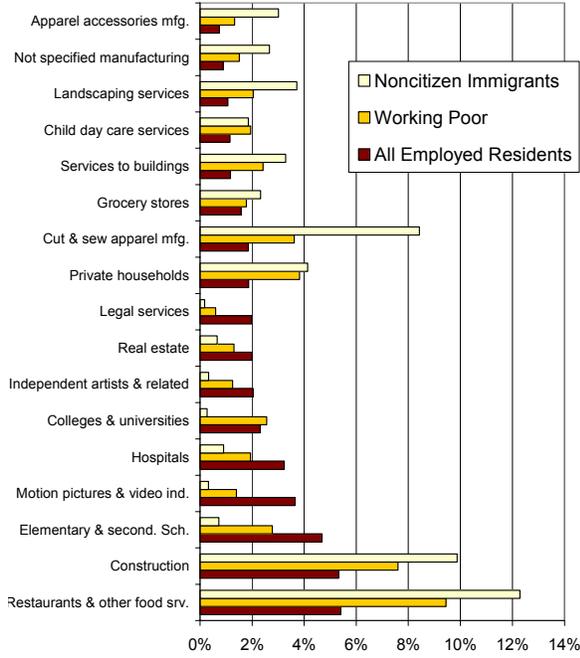
The average 1999 wage and salary incomes of workers in Los Angeles' 30 largest industries are displayed in Figure 9. Some of the industries that pay the lowest salaries also employ the most workers. They include private households, restaurants, services to buildings and dwellings, and cut-and-sew apparel manufacturing. The average earnings of workers in these industries are also well below the \$20,134 threshold. Thus, these industries may not provide wages that sustain larger families unless there is more than one wage earner in the family, or there are additional sources of income.



Figure 8-VIII

Industries Employing the Most City of Los Angeles Residents in 2000

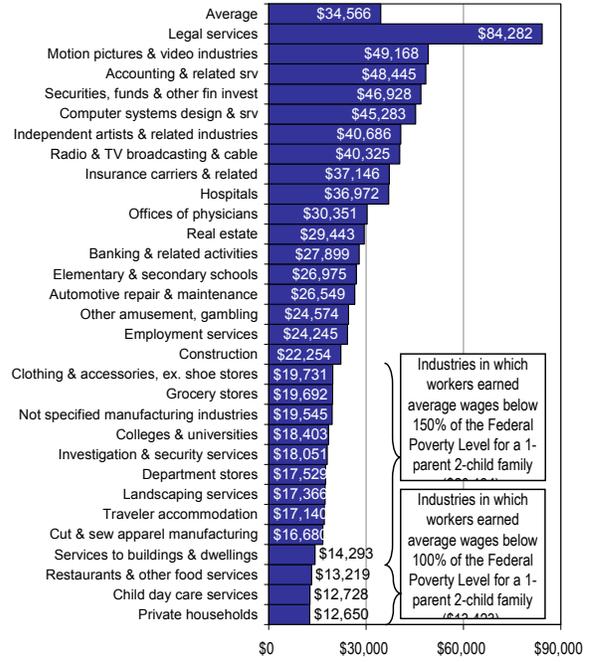
Ten largest employers of all residents, working poor, noncitizen immigrants; PUMS data



Source: 2000 US Census PUMS 5% Sample

Figure 9-VIII

Average Wage & Salary Incomes In 1999 of City of Los Angeles Residents that Worked in the 30 Largest Industries



Source: 2000 US Census PUMS 5% Sample

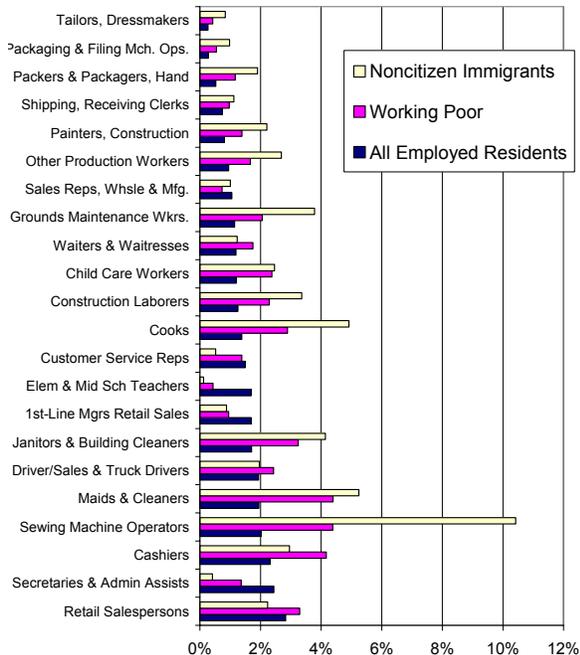
Industries in which workers earned average wages below 150% of the Federal Poverty Level for a 1-parent 2-child family

Industries in which workers earned average wages below 100% of the Federal Poverty Level for a 1-parent 2-child family

Figure 10-VIII

Occupations Employing the Most City of Los Angeles Residents in 2000

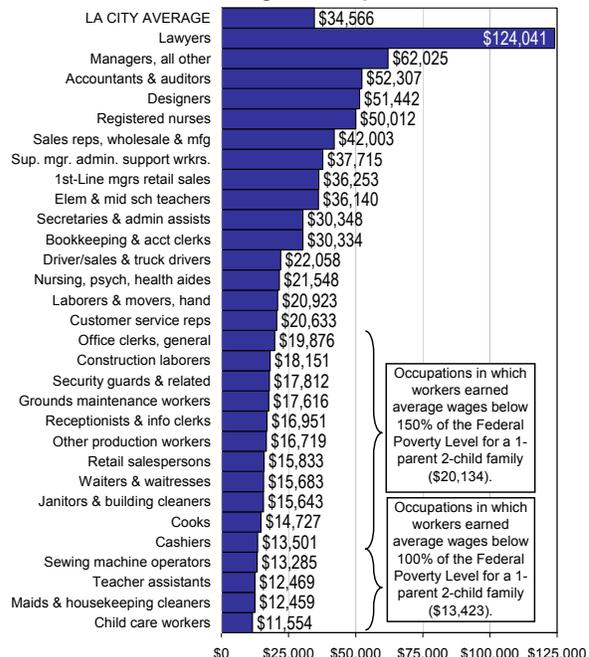
Ten largest employers of all residents, working poor, noncitizen immigrants; PUMS data



Source: 2000 US Census PUMS 5% Sample

Figure 11-VIII

Average Wage & Salary Incomes In 1999 of City of Los Angeles Residents that Worked in the 30 Largest Occupations



Source: 2000 US Census PUMS 5% Sample

Occupations in which workers earned average wages below 150% of the Federal Poverty Level for a 1-parent 2-child family (\$20,134).

Occupations in which workers earned average wages below 100% of the Federal Poverty Level for a 1-parent 2-child family (\$13,423).



The leading occupations of Los Angeles' residents suggest a similar story – immigrants and the working poor concentrate in similar occupations. Figure 10 displays the leading occupations of Los Angeles' working residents. Overall, the leading occupations include retail salespersons, secretaries and administrative assistants, cashiers, and sewing machine operators. For the working poor, the leading occupations include maids and house cleaners, sewing machine operators, and cashiers. Recent noncitizen immigrants are similar, with sewing machine operators as the leading occupation.

The average 1999 wage and salary incomes of workers in Los Angeles' 30 largest occupations are displayed in Figure 11. As with industries, the occupations that pay the lowest annual wages and salaries also employ the greatest number of working residents. People working as retail salespersons – the most prevalent occupation in the city – earned wages and salaries that were barely above the poverty level for a one-parent two-child family in 1999. Immigrants working as sewing machine operators, and maids and house cleaners did not earn wages and salaries that would sustain a one-parent, two-child family above 150 percent of the federal poverty level.

Table 1-VIII

Over-represented Industries, Occupations, and Average Salaries for Planning Areas Compared to the City of Los Angeles, 2000			
	Industries	Occupations	Average 1999 Salary (\$)
North Valley	Insurance	Registered Nurses	33,168
	Landscaping Services	Grounds Maint. Workers	
	Construction	Construction Laborers	
South Valley	Insurance Carriers	Bookkeeping Clerks	36,226
	Landscaping Service	Accountants and Auditors	
	Department Stores	1st-Line Mgrs. Retail Stores	
West L.A.	Securities & Investments	Physicians & Surgeons	56,186
	Colleges and Universities	Lawyers	
	Mgmt. & Tech Consulting	Post-Secondary Teachers	
Central L.A.	Independent Artists	Actors	33,375
	Traveler Accommodation	Producers & Directors	
	Motion Pictures	Waiters & Waitresses	
East L.A.	Cut & Sew Apparel Mfg.	Sewing Machine Operators	24,992
	Apparel Accessories Mfg.	Other Production Workers	
	Services to Buildings	Cooks	
South L.A.	Apparel Accessories Mfg.	Sewing Machine Operators	21,045
	Cut & Sew Apparel Mfg.	Security Guards	
	Investigation & Security	Nursing - Health Aides	
Harbor	Service to Transportation	Laborers & Movers, Hand	31,145
	Aerospace Production	Grounds Maint. Workers	
	Aircraft & Parts	Other Production Workers	
City of L.A.	-	-	34,566

Source: 2000 US Census PUMS 5% Sample

We also analyzed industries and occupations for each of the seven planning areas of the city. While the charts and tables emerging from this work are too numerous to include here, we have included them in the Data Appendix of Section IX of this report. Taken together, these charts and tables suggest there is notable variation among the planning areas in the concentration of resident workers in different industries and occupations. Table 1 lists the largest industry employers and occupations of working residents in each of the seven planning areas of the city. The average wage and salary of income of all workers in each planning area is also listed. The North Valley and South Valley planning areas have similar concentrations of white-collar and blue-collar industries, including insurance, landscaping and construction. The West Los Angeles planning area has high concentrations of residents in high-paying white-collar jobs, such as investments and securities, consulting and universities. Central Los Angeles has high concentrations of residents that work in entertainment-related industries. East Los Angeles and South Los Angeles have high concentrations of workers in low-wage manufacturing and service industries. The Harbor area has high concentrations of workers in transportation and aerospace related industries.



There is also variation in the average wage and salary incomes earned by workers in each planning area. Table 1 displays the average 1999 wage and salary income of all workers in each planning area of the city. Workers in the West Los Angeles planning area earned an average of \$56,186 – the highest average among city planning areas. Workers in the South Los Angeles planning area had the lowest average earnings. At \$21,045, the average worker in South Los Angeles does not earn enough money through work to support a one-parent, two-child family above 150 percent of the federal poverty level. Overall, average wage and salary incomes in Central Los Angeles, East Los Angeles, South Los Angeles, and the Harbor area are less than the total city average of \$34,566.

Workers in some of Los Angeles' largest industries and occupations earn wages and salaries that, on their own, barely keep them out of poverty. With such low wages, workers have to work long hours or possibly multiple jobs in order to sustain themselves. This then leaves little time for caring for family, raising children, or seeking further education or skills training. Some industries and occupations are better development targets than others for achieving the objective of expanding the number of jobs that offer workers and their families the opportunity to be self-sufficient through work.

In sum, our analysis of 2000 U.S. Census data for Los Angeles' resident workers documents significant geographic unevenness in the prosperity of Los Angeles residents. Many working poor and limited-English-proficient workers concentrate in East and South Los Angeles. These workers also tend to concentrate in low-paying service sector and manufacturing jobs such as restaurants and apparel manufacturing. Clearly, higher educational attainment, greater English proficiency and access to better jobs will improve the self-sufficiency of Los Angeles' poorest residents.

Los Angeles' Resident Employers

While the census data in the last section provides a comprehensive demographic overview of Los Angeles' resident workforce, it says little about the employers themselves, aside from information reported by residents about the industries and occupations in which they work, and the wages and salaries they received. Thus, to create a picture of Los Angeles' resident employers and existing jobs we examined employer payroll tax records in the Covered Employment and Wages Dataset (also known as ES-202 data) from the California State Employment Development Department. These records provide detailed information on every public and private employer in Los Angeles that pays payroll tax. The ES-202 data is a virtual census of employers in the State of California. It does not include people who are self-employed, since it is quite difficult to determine whether a self-employed person is actually working. Nor does it include informal "off-the-books" employment. Using this data, we examine the growth and decline of industry jobs across the City of Los Angeles. Through this analysis, we identify where there are strengths in the employer population and identify industries that serve as promising job development targets.

As with data from the Census, we have also produced numerous charts and tables for each of the city planning areas for 2-digit, 3-digit and 4-digit NAICS industries. This material is too lengthy to present here, however, the individual charts and tables can be found in the Data Appendix of Section IX in this report.



Employer-Reported Private Sector Jobs in Los Angeles

Employer-reported private sector jobs by planning area are displayed in Figure 12. In 2002, employers reported 1.67 million jobs within the City of Los Angeles. Central Los Angeles was the employment hub with 645,000 jobs offered by employers located within the Central Los Angeles planning area. West Los Angeles follows close behind with 279,000 jobs. Together, the Valley areas of Los Angeles reported 436,747 jobs. Jobs were relatively sparse in the eastern and southern areas of the city. South Los Angeles had 154,000 jobs, East Los Angeles barely had 100,000 jobs, and Harbor had only 53,000 jobs. Together, East Los Angeles, South Los Angeles and the Harbor area had less than one-fifth of the jobs offered in Los Angeles in 2002.

The picture of jobs offered in areas just outside of the South Los Angeles and Harbor planning areas of the city looks a bit better. South Los Angeles plus its surrounding communities (including Inglewood, Hawthorne, Compton, Lynwood and Vernon) offered 401,000 jobs, a number very near that offered in the Valley areas. Unfortunately, this means that for city residents who desire a shorter commute, there are more job opportunities outside the City of Los Angeles than within their own neighborhoods. The Harbor area is second to Central Los Angeles for the number of jobs available, but as is the case with South Los Angeles, most of the jobs near the Harbor area residents are outside of the City of Los Angeles. While it may be good news to residents to know that there are jobs in nearby communities, residents of those communities are competing for those jobs, and it remains a difficult task for Los Angeles' leaders to effect positive change in industries that are located outside their jurisdiction.

Figure 12-VIII

Private Sector Jobs by Sub-area, 2002

Average Jobs for Q2 & Q3 for 2002 from the ES-202 Dataset
for LA County

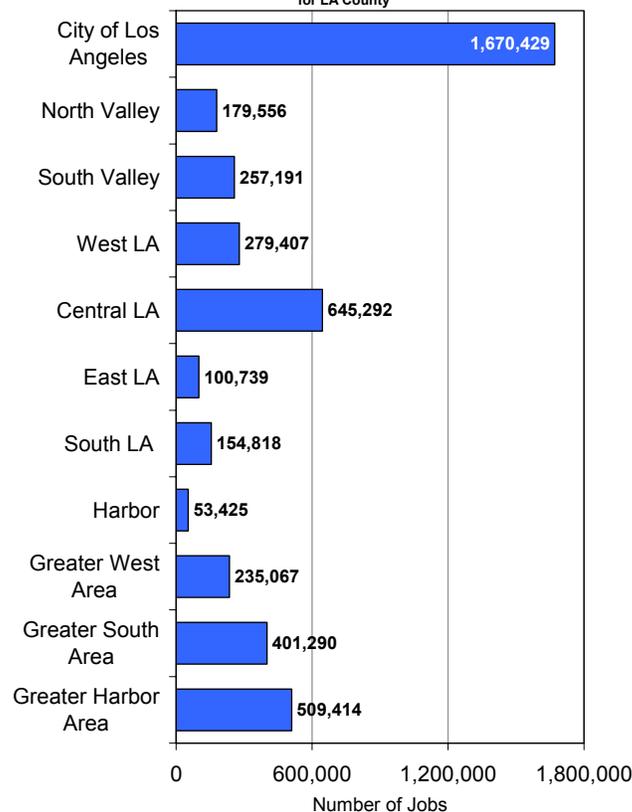




Table 2-VIII
Private Sector Job Growth by Region
1996-2002

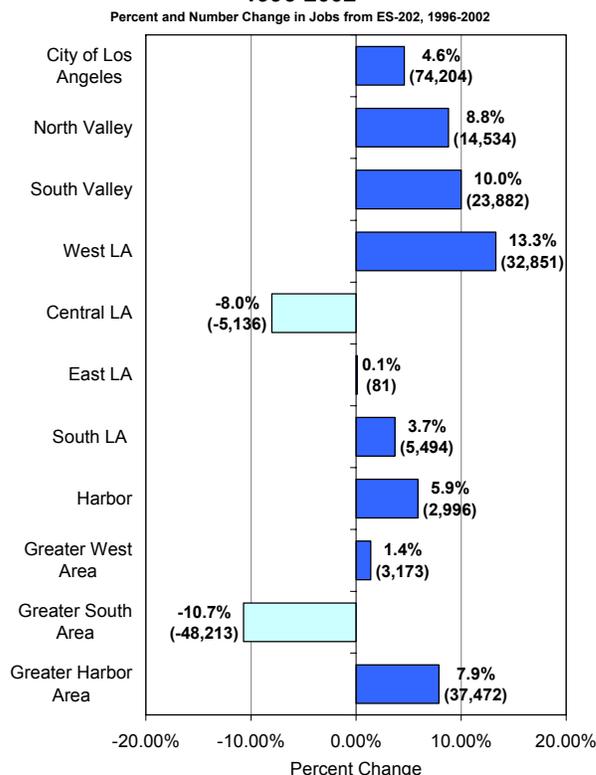
Region	Growth Rate (%)
City of Los Angeles	4.6
Los Angeles County	5.1
California	13.0
United States	8.6

Source: CA Employment Development Department

Recent changes in the number of private sector jobs for the city, county, state and country are displayed in Table 2. While Los Angeles did add jobs between 1996 and 2002, it did so at a modest rate. The rest of the state and the country fared better. Private jobs in the City of Los Angeles grew by 4.6 percent over the period, however, Los Angeles County jobs grew by 5.1 percent, jobs in the state grew by 13 percent, and job growth in the U.S. overall was 8.6 percent.

The change in jobs by planning area for the City of Los Angeles and surrounding communities is displayed in Figure 13. Within the city, some areas fared better than others at adding jobs. The North and West areas of the city show the greatest growth. West Los Angeles added the most jobs over the period and recorded the highest growth rate, adding 32,851 jobs for a growth rate of 13.3 percent. The North Valley and the South Valley also added a significant number of jobs. Central Los Angeles lost 5,136 jobs, the greatest loss of any area within the city. East Los Angeles was nearly unchanged over the period and both South Los Angeles and Harbor showed modest growth.

Figure 13-VIII
Private Sector Job Change by Sub-area,
1996-2002





Adding in the surrounding communities changes the picture. The Greater Western Area grew by only 1.4 percent, adding a net 3,173 jobs. This suggests that while West Los Angeles did quite well, nearby communities suffered declines in jobs over the period. The Greater South Area suffered the greatest job loss overall where jobs declined by 10.7 percent for a loss of 48,213 jobs. This suggests that while South Los Angeles grew, the surrounding municipalities suffered significant jobs loss. The data for the Greater Harbor Area suggest that the both the Harbor area of Los Angeles and the surrounding communities experienced job growth over the period.

While job growth and loss varies by planning area, it also varies by sector of the economy. Manufacturing, once a mainstay of employment for the city economy, has been overtaken by various forms of service sector jobs. The distribution of private jobs by 2-digit NAICS industry sectors in 2002 is displayed in Figure 14. Services top the list as the largest sectoral employers. They include educational services, health care, retail trade, and accommodation and food services. Nondurable manufacturing also ranks among the top five. Durable manufacturing ranks further down on the list. Clearly the majority of jobs are service related.

Sectoral change in private employment between 1996 and 2002 is displayed in Figure 15. The greatest growth in jobs can be found in the service sectors. Health care, professional scientific and technical services, and retail trade gained the most jobs. Manufacturing and public administration lost the most jobs. Overall, manufacturing demonstrated the deepest decline as it lost just over 34,000 jobs between both durable and nondurable manufacturing. Further, manufacturing jobs declined in every subarea examined (planning areas and planning areas plus adjacent communities).

Figure 14-VIII

Private Jobs by 2-Digit NAICS Sector for the City of Los Angeles

Average Jobs for Q2-Q3 2002 reported in ES-202

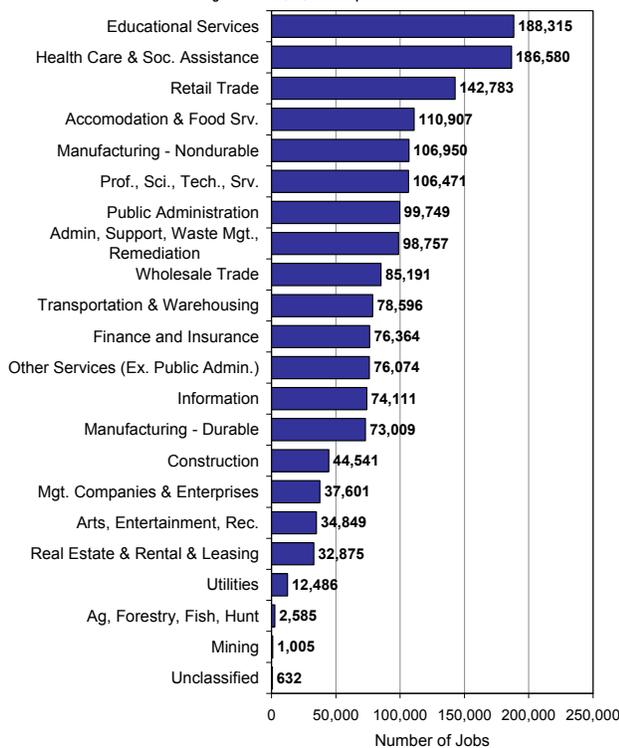
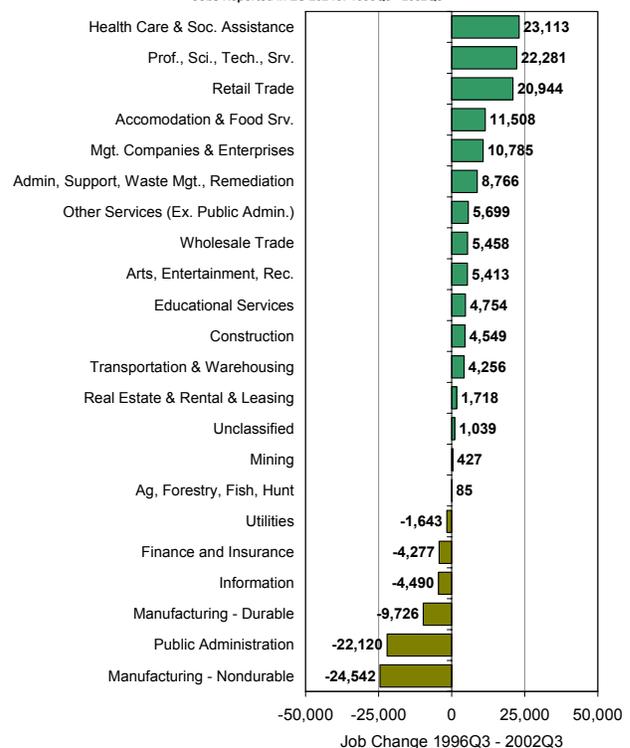


Figure 15-VIII

Private Job Change by 2-Digit NAICS Sector for the City of Los Angeles

Jobs Reported in ES-202 for 1996Q3 - 2002Q3





The distribution of jobs among Los Angeles' 20 top industry providers of jobs is displayed in Figure 16. Figure 16 provides much finer resolution regarding industries since it displays employment at the NAICS 4-digit industry group level rather than the 2-digit industry sector level shown in Figure 15. The largest industry employers in Los Angeles include hospitals, public safety, colleges and universities, restaurants (limited-service and full-service), and cut-and-sew apparel manufacturing. Cut -and-sew apparel manufacturing is the only manufacturing industry to make it into this list of top 20 industry employers.

The 20 detailed industries that added the most jobs between 1996 and 2002 are displayed in Figure 17. All of the city's fastest-growing industry employers are related to services. No manufacturing industries make it into the top-20 list for employment increases. Industries that top the list include limited-service (fast food) restaurants, justice and public order, management of companies and enterprises, and residential mental health and substance abuse facilities.

Figure 16-VIII

Private Jobs by 4-Digit NAICS Sector for the City of Los Angeles

Average Jobs for Q2-Q3 2002 reported in ES-202

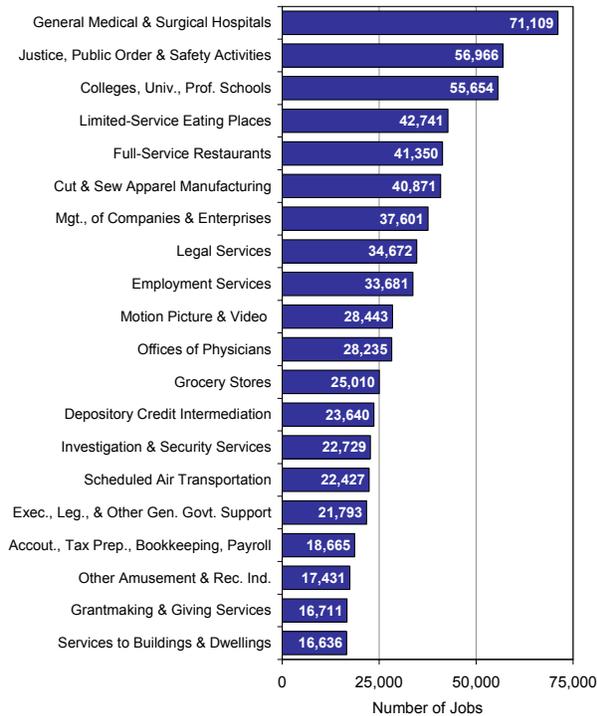
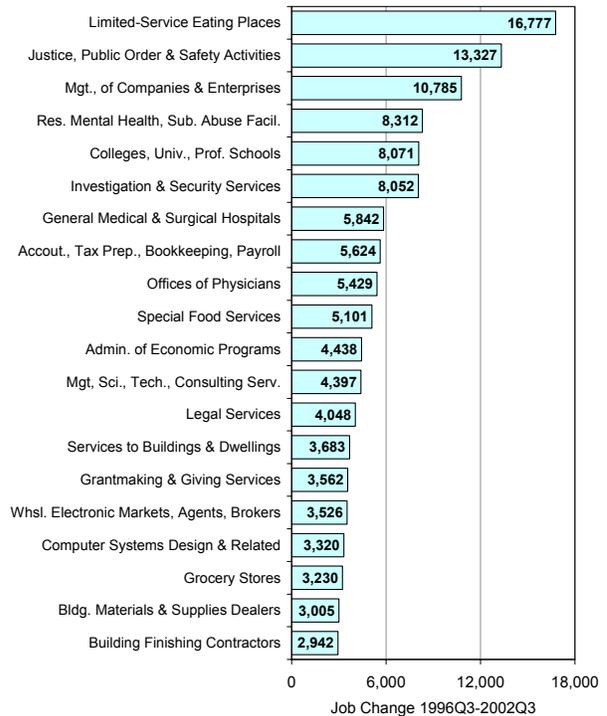


Figure 17-VIII

Job Change by 4-Digit NAICS Sector for the City of Los Angeles

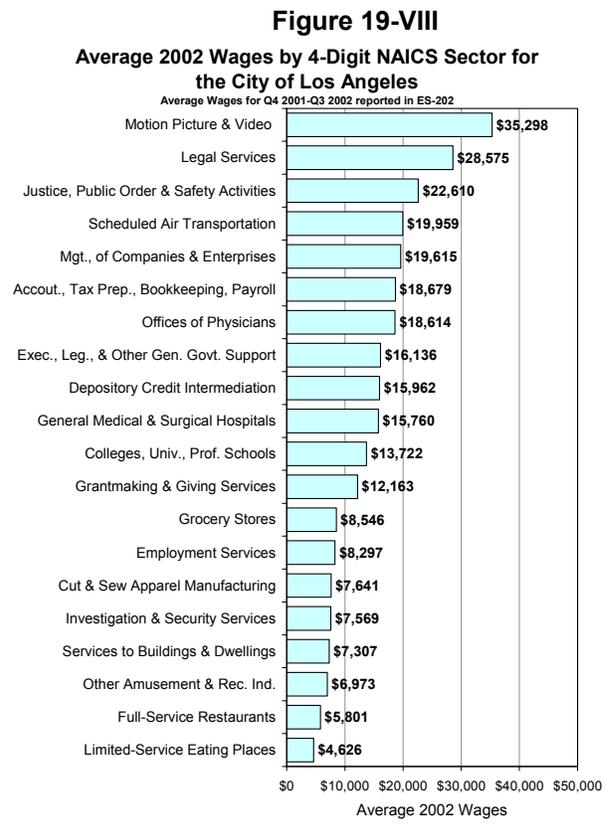
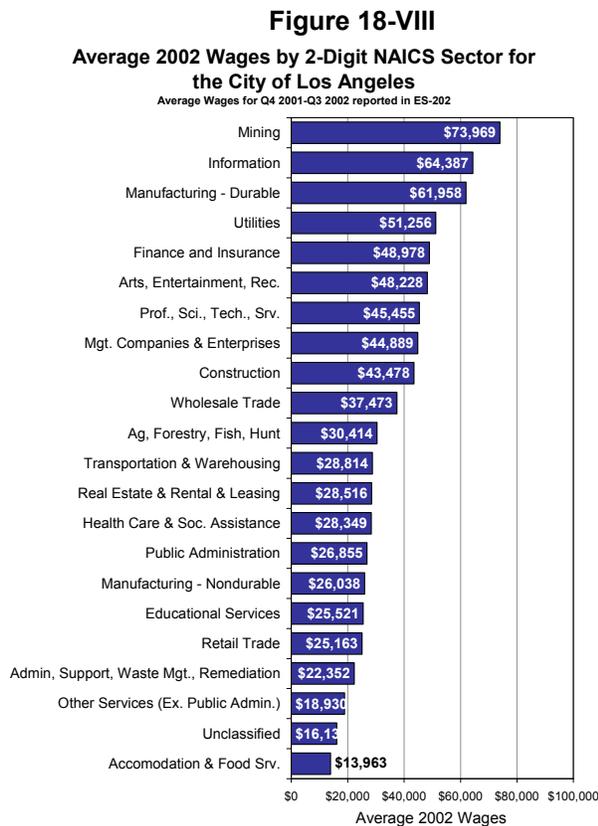
Private Employer Jobs Reported in ES-202 for 1996Q3-2002Q3





Average 2002 wages for employers by NAICS sector are displayed in Figure 18. Mining tops the list, paying an average salary of nearly \$74,000. However, mining is a very small employment sector that offers just over 1,000 jobs in total within the City of Los Angeles, mostly in the city’s remaining oil fields and geological support services for mining. The information and manufacturing sectors offered average salaries above \$60,000 in 2002. Accommodation and food services offered the lowest average salary in 2002 of \$13,963. This salary is below the 2002 federal poverty level (\$14,494) for a one-parent, two-child family. It is likely the case that this salary is biased downward by people that only work part-time.

Average salaries by 4-digit NAICS sector for 2002 are displayed in Figure 19. Motion pictures and video, and legal services offered the highest average salaries in 2002. Restaurants (both limited-service and full-service) provide the lowest earnings. Amusement and recreation, services to buildings and dwellings, security services, and apparel manufacturing also offer very low average salaries.





Employer Distribution Among Planning Areas

As is the case with workers, places of work are not distributed evenly among the planning areas of Los Angeles. The four largest industry employers in each planning area are displayed in Table 3. Restaurants and limited-service eating places appear frequently in this table. Cut-and-sew apparel manufacturing appears in both East Los Angeles and South Los Angeles. Legal services are prominent in West Los Angeles and Central Los Angeles. Depository credit intermediation (commonly known as banking) is prominent in the North Valley, while offices of physicians are a top industry employer in the South Valley. Unfortunately, some of the industries that pay the lowest wages and salaries rank as the largest employers across the planning areas, notably, limited-service eating places.

Given this variation in the concentration of industries it is clear that different planning areas may require different sorts of industry-specific support to stimulate job creation and placement of workers in living-wage jobs. What may be helpful to apparel and related firms may not have any impact on hospitals. Given the broad variation in wage levels among industries, their geographic concentrations, and their growth over time, it is likely that some industries may serve as better development targets than others in each planning area of the city.

While it is not feasible to describe every industry in every planning area of Los Angeles in this section of the report, we have included charts and tables in the Data Appendix of Section IX that describe the size of industry employers, their average wages, and the change in jobs over time for each planning area.

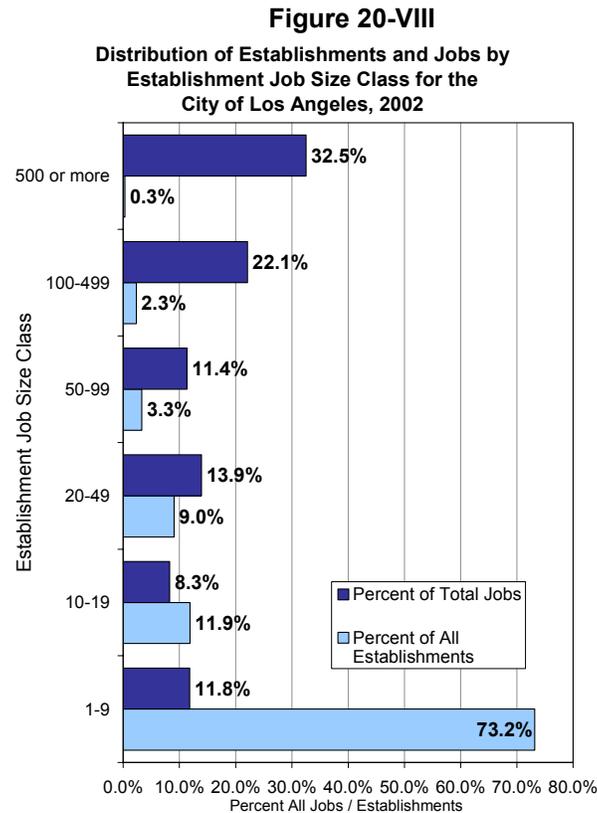
Table 3-VIII

Top 4 Industry Employers by Planning Area with Avg. 2002 Salaries for Los Angeles Employment and Average Salary for Q4 2001-Q3 2002 from ES-202			
	Industries	2002	
		Jobs	Avg. Salaries (\$)
North Valley	Limited-Service Eating Places	6,120	3,918
	Depository Credit Intermediation	5,826	12,998
	Services to Buildings & Dwellings	4,801	7,184
	Grocery Stores	4,555	8,297
South Valley	Full-Service Restaurants	9,930	5,446
	Employment Services	8,832	8,328
	Limited-Service Eating Places	8,663	4,474
	Offices of Physicians	8,457	18,996
West L.A.	Legal Services	11,595	32,412
	Full-Service Restaurants	9,682	6,630
	Private Households	4,594	7,599
	Mgt., Sci., Tech., Consulting Svcs.	2,772	29,490
Central L.A.	Justice, Public Order & Safety Activities	54,388	22,912
	General Medical & Surgical Hospitals	39,572	16,378
	Exec., Leg., & Other Gen. Govt Support	21,063	16,448
	Legal Services	17,243	28,758
East L.A.	Cut & Sew Apparel Manufacturing	5,426	5,739
	General Medical & Surgical Hospitals	4,703	13,095
	Limited-Service Eating Places	4,342	4,230
	Colleges, Univ., Prof. Schools	3,405	16,485
South L.A.	Cut & Sew Apparel Manufacturing	13,799	9,176
	Mgt., of Companies & Enterprises	7,661	12,551
	Limited-Service Eating Places	4,334	4,166
	Grocery Stores	3,677	7,384
Harbor	Whsl. Motor Veh., Parts, Supplies	2,823	27,538
	Employment Services	2,231	10,349
	Limited-Service Eating Places	1,964	3,885
	Full-Service Restaurants	1,269	4,793
City of L.A.	General Medical & Surgical Hospitals	71,109	15,760
	Justice, Public Order & Safety Activities	56,966	22,610
	Colleges, Univ., Prof. Schools	55,654	13,722
	Limited-Service Eating Places	42,741	4,626



Employment Class Size of Los Angeles' Resident Employers

Who employs the most workers overall in Los Angeles? Is it large employers or the multitude of small employers and startups? A common vision of jobs formation is that many of the jobs come from small enterprises. The distribution of jobs and employers by employer job size class for the City of Los Angeles is displayed in Figure 20. If we look at the number of establishments by job size class, clearly the majority of establishments in Los Angeles (73 percent) are very small, employing nine or less people. Employers with fewer than 50 workers make up 94 percent of employers in the city. However, if we examine the distribution of employment by job class size, we see an interesting contrast. The 94 percent of establishments with less than 50 employees provide only 34 percent of jobs in the city. Establishments of 100 employees or larger provide 54.6 percent of jobs. In other words 2.6 percent of employers provide over half the jobs in the city, and these are large employers with 100 or more jobs at their work site. This is a trend that holds up through all of the subareas (planning areas and planning areas plus adjacent municipalities). We included charts for each of the planning areas in the Data Appendix of Section IX.



Source: Economic Roundtable and ES-202



However, if we look across industry sectors rather than geographic sub-areas, this relationship does not necessarily hold. The distribution of jobs and establishments by job size class for the major industry sectors in Los Angeles are displayed in Table 4. With the exception of two sectors, small establishments with less than 20 employees make up the majority of establishments in each sector in the City of Los Angeles. The two sectors in which small establishments do not comprise the majority include management of companies and enterprises (typically these are holding companies) and utilities. In a few sectors, small establishments account for over 90 percent of establishments. These sectors include arts, entertainment and recreation, other services, professional, scientific and technical services, real estate rental and leasing, and unclassified establishments.

Medium-sized establishments (those that employ between 21 and 99 workers) do not constitute a majority of any industry sector. The only sectors in which medium-sized establishments make up over 30 percent of establishments are management of companies and enterprises, and utilities. Large establishments (those with 100 employees or more) make up the minority of business establishments in Los Angeles. Large establishments account for more than 10 percent of establishments in only three sectors. They include management of companies and enterprises, mining, and utilities.

Table 4-VIII
Distribution of Jobs and Establishments by Job Size Class and Industry Sector for the City of L.A., 2002

NAICS Industry Sector	1-20 Jobs		21-99 Jobs		100+ Jobs	
	Percent All Establishments	Percent All Jobs	Percent All Establishments	Percent All Jobs	Percent All Establishments	Percent All Jobs
Accommodation & Food Svcs.	73.3	25.1	24.6	49.1	2.2	25.8
Admin, Support, Waste Mgt., Remediation	77.8	14.6	16.3	27.0	5.9	58.5
Ag, Forestry, Fish, Hunt	79.0	16.8	18.5	28.0	2.5	55.2
Arts, Entertainment, Rec.	90.8	18.9	7.3	20.3	2.0	60.9
Construction	87.9	39.3	10.9	35.1	1.3	25.6
Educational Services	75.1	3.1	20.8	6.4	4.1	90.5
Finance and Insurance	83.0	21.2	13.4	26.9	3.6	52.0
Health Care & Soc. Assistance	87.5	17.2	9.4	16.5	3.1	66.3
Information	83.7	15.2	12.2	21.3	4.1	63.5
Manufacturing - Durable	71.7	16.6	22.9	34.2	5.5	49.2
Manufacturing - Nondurable	73.4	21.6	22.5	39.0	4.1	39.4
Mgt. Companies & Enterprises	46.8	4.1	31.8	18.1	21.4	77.8
Mining	65.0	6.8	20.0	25.9	15.0	67.3
Other Services (Ex. Public Admin.)	95.1	40.4	4.3	25.1	0.6	34.5
Prof., Sci., Tech., Svcs.	90.1	33.1	8.2	30.9	1.7	36.1
Real Estate & Rental & Leasing	93.2	48.2	6.0	29.4	0.8	22.4
Retail Trade	85.3	31.6	12.6	37.9	2.1	30.6
Transportation & Warehousing	72.9	9.0	19.2	16.9	7.9	74.1
Utilities	46.2	0.6	30.8	5.0	23.1	94.4
Wholesale Trade	87.0	37.2	11.5	37.1	1.5	25.7
Unclassified	100.0	100.0	0.0	0.0	0.0	0.0

Sources: Economic Roundtable, ES 202

There is no sector in which small establishments offer the majority of jobs. Small establishments offer above 40 percent of jobs in only two sectors. They include other services, and real estate rental and leasing. Similarly for medium-sized establishments, there is no sector in which medium-sized establishments offer the majority of jobs. The only sector in which medium-sized establishments come close to offering 50 percent of jobs is accommodation and food services.

In 11 out of the 21 sectors, large establishments provide the majority of jobs. Real estate rental and leasing is the only sector in which large establishments offer less than one-quarter of the jobs in the sector.



While small establishments do seem to dominate the establishment landscape, it is the large establishments that offer the most jobs. This may have significant implications for jobs development strategies in Los Angeles. Because of their limited number it may be easier for policy makers to contact large establishments and collaborate to identify ways in which public policy can be fashioned to promote the formation of new jobs within the city. However, looking beyond the absolute number of jobs, several key questions remain unanswered:

- What size class has the highest rate of job growth?
- What size class provides the highest rate of revenue for local government?

Thus, the choice between emphasizing the needs and interests of small establishments versus large establishments when designing public policy may well depend upon the specific economic goals one has in mind as well as on new information.

Survival Rates of New Business Establishments

Are small companies and startups a reliable source of new employment for the city? If workers are seeking jobs that provide sustaining wages and lengthy career ladder, it is helpful to work for employers offering stable jobs that will allow workers to gain experience and knowledge through work. The one-year survival rates for new establishments that were launched between 1997 and 2000 are displayed in Figure 21. Clearly, startup establishments are more successful in some sectors of the economy and less successful in others. Overall, in all major industry sectors, the majority of startup establishments still report employment a year after their launch. Startup in agriculture, forestry, fishing and hunting, and management of companies and enterprises display one-year survival rates of over 80 percent. The one-year survival rate of startup establishments in mining, administration and support, and information are much lower, at 50 percent.

The one-year survival rates for single-site and multi-site establishments are also reported in Figure 21. Single-site establishments represent the emergence of brand new establishments on the economic landscape. New multi-site establishments are new worksites established by businesses already operating in the city or county. A number of large corporations would be classified as multi-site establishments since they maintain worksites throughout the country and the world. Startup worksites that are part of multi-site establishments display a higher one-year survival rate (65 percent) compared to new single-site establishments (46 percent). This reinforces the notion that large employers, specifically large, multi-site establishments, generate the majority of jobs and offer the most successful startup worksites. Of course, this is not to say that small employers or single-site establishments should be ignored, but rather to recognize the strengths that large employers offer.

The distribution of startup establishments is uneven among the planning areas of Los Angeles. The numbers of startup establishments emerging between 1997 and 2000 in each of the city planning areas are displayed in Figure 22. Central Los Angeles, which includes the downtown area, saw the most startup establishments emerge. The Valley areas and West Los Angeles also saw relatively large numbers of startups emerge between 1997 and 2000. East Los Angeles, South Los Angeles and the Harbor area had fewer startups than the North and West areas of the city. If we combine the planning areas, the Valleys and West Los Angeles saw more startup establishments emerge than the remainder of the city combined (Central Los Angeles, East Los Angeles, South Los Angeles, and the Harbor Area). If we include the communities surrounding South Los Angeles and the Harbor area, the startup numbers are significant. This suggests that new business development is stronger outside Los Angeles than within the South Los Angeles and Harbor planning areas. West Los Angeles saw more startup businesses than



any other area. There was not much difference in the survival rates of new establishments among the planning areas. In all areas the one-year survival rate for new establishments was between 60 and 78 percent. The majority of new startups in all areas stayed in business for longer than one year.

In sum, the job market in Los Angeles in 2002 reflects the northwest–southeast division noted earlier in the discussion of Los Angeles’ workforce. The Valley areas and West Los Angeles experienced marked job growth between 1996 and 2002. South Los Angeles and the Harbor Area showed meager job growth over the same time period. East Los Angeles showed little change and Central Los Angeles lost a few jobs. Further, there were a greater number of startup establishments in the northern and western parts of the city than in the remainder of the city. Thus, given that many of Los Angeles’ working poor residents show low levels of educational achievement and high levels of limited English ability, and they concentrate in areas where job formation has been limited, transitioning residents into jobs with higher wages and longer career ladders will be challenging, because not only do the skills and English-language abilities of workers need to be improved, but the formation of sustaining jobs within a reasonable distance of the people who need them most, must also need to be addressed.

Figure 21-VIII

One-year Survival Rates for Startup Employment Sites in the City of Los Angeles
Based on 47,122 work sites started between 1997-2000

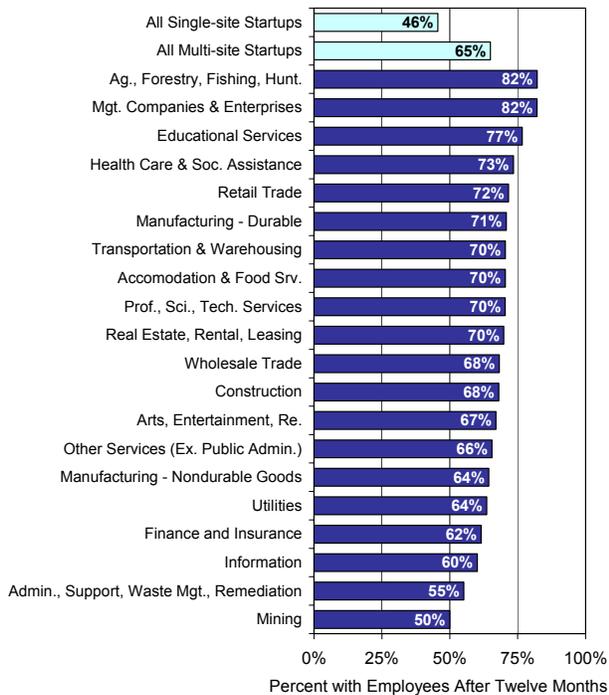
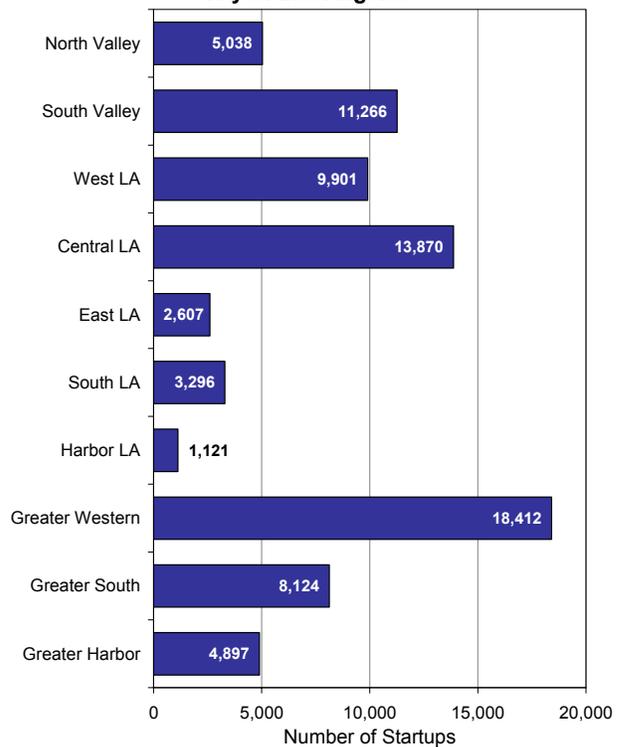


Figure 22-VIII

Number of Startups Emerging between 1997 and 2000 by Planning Area for the City of Los Angeles





Government Employment

Government employment is difficult to extract from the ES-202 database, since many government agencies do not break out their employees by worksite. For example, workers employed by Los Angeles County or the Los Angeles Unified School District work in any number of different locales, however, most employees of both organizations are reported as working in downtown Los Angeles. Additionally, a significant number of public sector jobs are funded by more than one funding source, with payroll funds for a single job flowing through multiple entities, the result being that these jobs are double counted. Consequently, it is difficult to use ES-202 data to estimate the level and location of government employment in different city planning areas. Given this difficulty, we drew on other published California Employment Development Department data and the U.S. Census Bureau's Census of Governments publication to help shed some light on the role of government employment in Los Angeles' labor market.

Jobs in different levels of government as a share of Los Angeles County's labor market between 1990 and 2003 are displayed in Figure 23. Local governments provide roughly 80 percent of all government jobs in the county, and roughly 12 percent of all jobs in the county. The increase in local government employment beginning in 1997 was in large measure the result of class size reduction initiatives in California that required significant increases in school district staff. Nearly half the decline in federal government jobs between 1990 and 2003 can be accounted for by local decline in Department of Defense employment.

Overall, total government employment as a proportion of total employment in Los Angeles County has not varied much. Between 1990 and 2003 the government proportion of total jobs increased from 14 percent to 15 percent of formally reported jobs in the county.

Figure 23-VIII

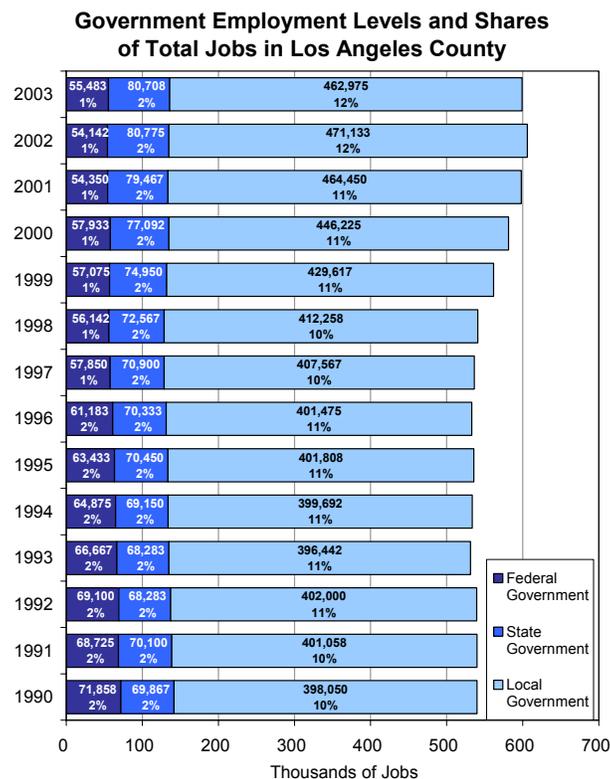




Table 5-VIII

Local Government Jobs* in Los Angeles County, 2002				
	Full-Time		Part-Time	
	Empl.	Percent	Empl.	Percent
Elementary and Secondary - Instruction	102,658	29.6	51,337	36.7
Elementary and Secondary - Other Total	43,389	12.5	37,939	27.1
Police Protection - Officers	20,101	5.8	743	0.5
Welfare	19,490	5.6	491	0.4
Hospitals	17,742	5.1	2,115	1.5
Judicial and Legal	17,484	5.0	674	0.5
Other and Unallocable	12,054	3.5	861	0.6
Transit	11,233	3.2	1,152	0.8
Health	9,562	2.8	667	0.5
Parks and Recreation	9,437	2.7	7,079	5.1
Firefighters	9,280	2.7	470	0.3
Higher Education - Instructional	7,808	2.2	13,193	9.4
Police - Other	7,745	2.2	1,392	1.0
Correction	6,778	2.0	312	0.2
Higher Education - Other	6,597	1.9	14,368	10.3
Other Government Administration	6,133	1.8	1,787	1.3
Water Supply	5,989	1.7	232	0.2
Financial Administration	5,891	1.7	326	0.2
Electric Power	5,488	1.6	209	0.1
Streets and Highways	5,141	1.5	385	0.3
Housing and Community Development(Local)	4,057	1.2	347	0.2
Sewerage	3,141	0.9	188	0.1
Airports	2,612	0.8	156	0.1
Solid Waste Management	2,312	0.7	137	0.1
Local Libraries	2,214	0.6	3,038	2.2
Natural Resources	1,100	0.3	188	0.1
Water Transport and Terminals	957	0.3	57	0.0
Fire - Other	667	0.2	29	0.0
Gas Supply	201	0.1	-	0.0
Total Government	347,261	100.0	139,872	100.0

Source: 2002 US Census of Governments

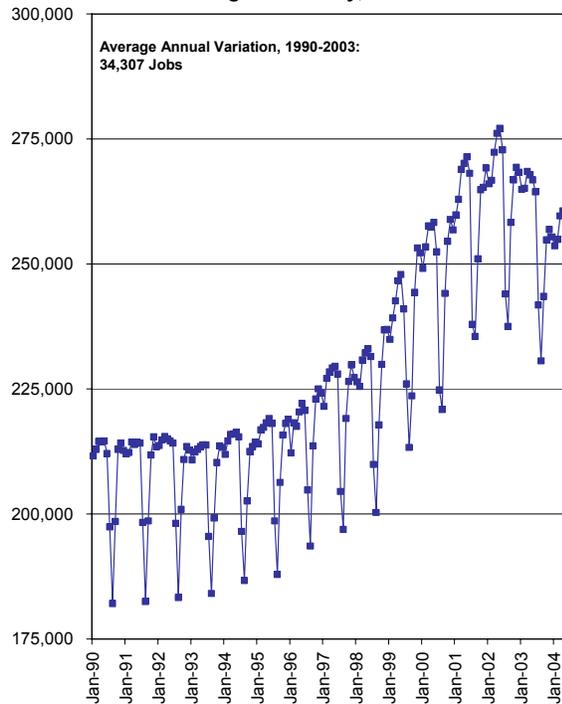
*Data represent combined jobs for the county, municipalities, townships, special districts and school districts in Los Angeles County

The distribution of local government jobs in the county among major government functions is displayed in Table 5. Note that this data is from the U.S. Census of Governments for 2002. It is based on a point-in-time count of jobs in March 2002 rather than annualized data. The largest single government employer is Elementary and Secondary Schools. If one combines both instructional and noninstructional staff, they account for just over 42 percent of full-time government jobs in the county. If we include higher education, then education overall accounts for 46.2 percent of total government employment. Educational institutions are also the leading employers of part-time workers. If we combine elementary and secondary school jobs with jobs in higher education, they account for 83.5 percent of part-time jobs. The next largest government employer is of police officers. Although they rank third behind schools, they account for only 5.8 percent of full-time government jobs and one-half percent of part-time government jobs in the county. The other leading employers of part-time workers include parks and recreation, and hospitals.



Figure 24-VIII

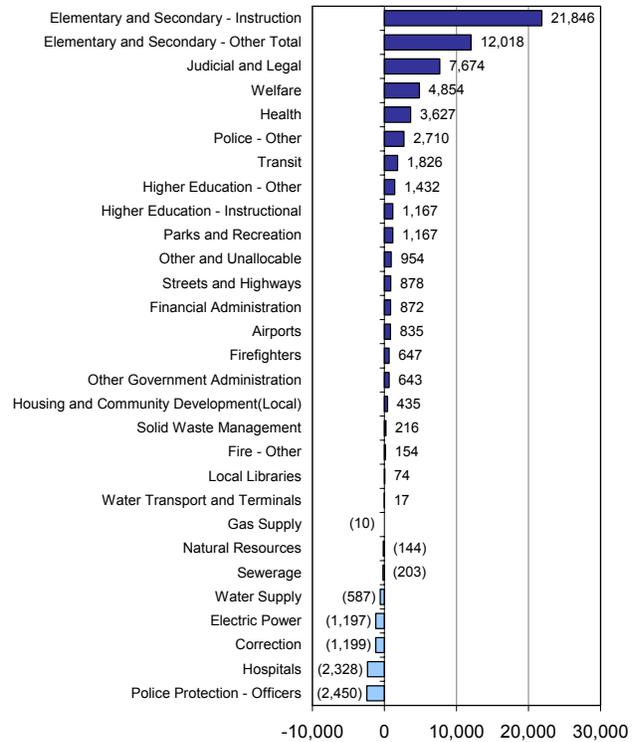
Total Local Government Education Employment in Los Angeles County, 1990-2004



Source: California Employment Development Department

Figure 25-VIII

Full-time Employment Change in Los Angeles County and Local Governments, 1997-2002



Source: US Census of Governments

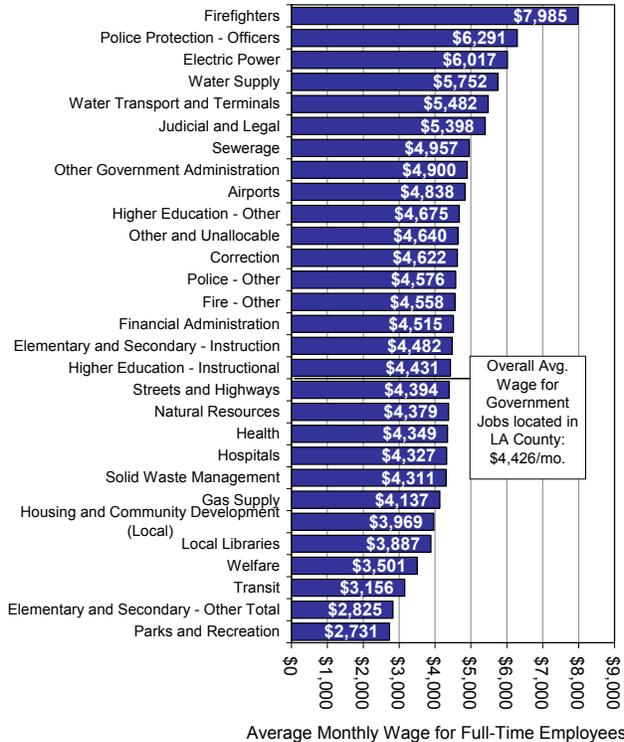
The historic trend of employment in local government education jobs for Los Angeles County is displayed in Figure 24. As already mentioned, the increase in education jobs in 1996 was largely driven by class size reduction initiatives in California. However, there is a consistent seasonal periodicity in employment in local government education. Between 1990 and 2003 the annual average variation in jobs was 34,307. The rapid drops in jobs during summertime months are likely the result of various contingent jobs such as substitute teachers. It may also be the case that some local school districts pay staff on a nine- or 11-month basis.

Change in full-time government jobs between 1997 and 2002 is displayed in Figure 25. Between 1997 and 2002 total elementary and secondary education added 33,864 jobs. Other leading job gainers include judicial and legal, welfare, and health. Categories that lost the most jobs include police officers, hospitals, correction, and electric power. It appears that the leading job-loss categories are public safety in the form of police and corrections officers, and hospitals.



Figure 26-VIII

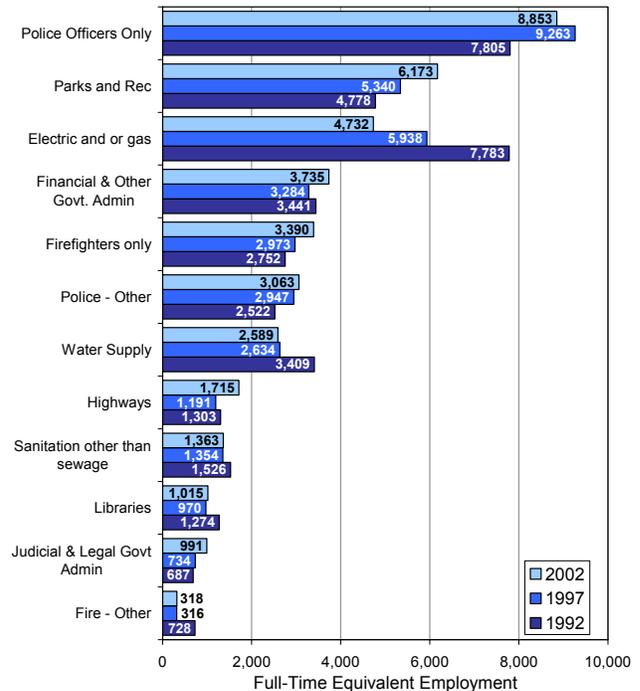
Average Monthly Wage for Full-Time Government Jobs in LA County, by Function, March 2002



Source: US Census of Governments, Public Employment and Payroll

Figure 27-VIII

Full-time Equivalent Employment in Selected Municipal Government Functions for the City of Los Angeles, 1992-2002



Source: US Census Bureau, Census of Governments

Average wages for full-time government jobs in Los Angeles County are displayed in Figure 26.

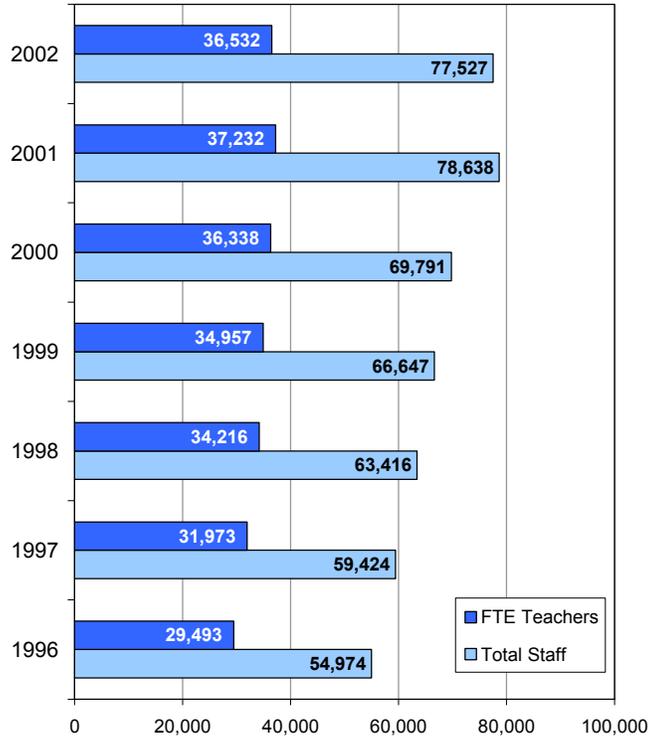
In 2002, the poverty level for a one-parent, two-child family was \$14,494. All the categories of jobs pay wages above the poverty level for a one-parent, two-child family in 2002. However, some do pay higher wages than others. Police officers and firefighters earn the highest average monthly salaries in the county. They are followed by electric power, water supply, water transport, and judicial and legal jobs. Job categories that offer below-average salaries include parks and recreation, noninstructional jobs in elementary and secondary schools, transit workers and welfare workers.

The primary source of data for the City of Los Angeles is the 2002 U.S. Census of Governments. It shows that municipal government employment (not including education) for the City of Los Angeles has not changed significantly since 1992. In 1992, the city provided 50,389 full-time and part-time jobs. By 2002, this number increased slightly to 51,150 full-time and part-time jobs. In 2002, municipal government jobs accounted for 3 percent of reported jobs in the city.

The distribution of jobs provided by the city government in 2002 is displayed in Figure 27. Information on the Los Angeles Unified School District is displayed separately in Figure 28. Outside of education, police officer jobs were the most numerous, followed by parks and recreation, and electric and gas utilities. Administrative jobs in the fire department and the judicial and legal categories offer the least jobs. Jobs in electric and gas utilities are those of the Los Angeles Department of Water and Power. Over the 10-year term, those jobs saw the greatest decline; just over 3,000 jobs were lost between 1992 and 2002.



Figure 28-VIII
Employment in the Los Angeles Unified
School District, 1996-2002



Source: National Center for Education Statistics

Total employment and full-time equivalent employment of teachers for the Los Angeles Unified School District is displayed in Figure 28. Clearly, the district is the largest government employer in the city. In 2002, it provided 77,527 jobs, nearly half of which were teaching jobs.

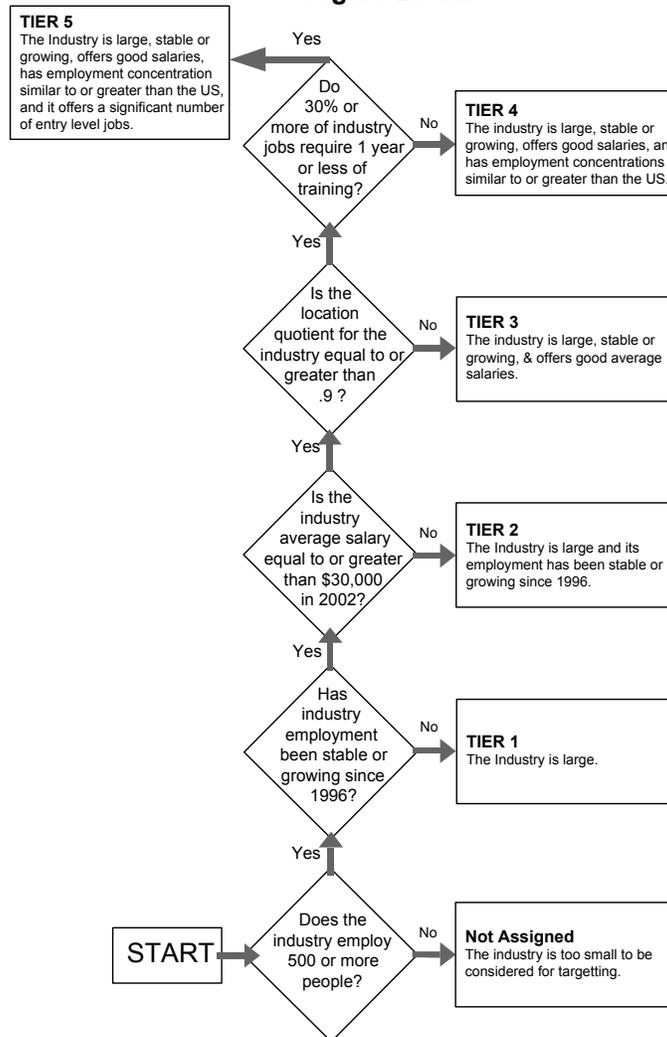
In sum, government jobs provide a significant amount of employment in the city and county of Los Angeles, and they typically provide good wages and salaries. However, the formation of government jobs does not respond to the same sorts of incentives that may influence private sector jobs. Further, it is impossible for the City of Los Angeles to attract municipal jobs from other cities in the county. However, the city certainly can pursue outreach to disadvantaged groups to insure that everyone is aware of, and has access to, the opportunities available through government employment.



Target Industries

Given the information provided so far, which industries should policy makers seek to target to encourage the development of jobs that offer sustaining wages and career ladders for Los Angeles' residents? To answer this question we developed a set of criteria to identify industries that appear to have the best prospects for offering sustaining jobs. Based on this criteria we sorted industries into five categories or tiers; the higher the tier, the better the target. The criteria are outlined in a flow chart of filters in Figure 29.

Figure 29-VIII





We should emphasize that the filtering criteria established here were developed around the specific goal of identifying the best opportunities for entry-level workers to find sustaining jobs in the City of Los Angeles. Were the goal something different, such as the generation of sales tax revenue or anchoring a new industry sector in the region, the criteria used for selecting targets might be quite different than that which is displayed in Figure 29.

We should also emphasize that while we use strong language such as ‘tiers’ and ‘targets,’ the core purpose of this exercise is to illuminate the relative strengths and weaknesses of different industries in regard to their prospects for job development. It is not to pick winners and losers or to decide which industries belong in the region. Rather it is to provide a targeting tool for using the modest resources and powers of local government to consistently nudge the locale in a direction that will have the greatest positive impact on employment opportunities for Los Angeles’ resident labor force.

The first step in selecting an industry target is to examine its employment size. Does the industry currently employ 500 or more people? We ask this question because it becomes quite difficult to locate businesses within an industry that employs less than 500 people. Industries that do not have at least 500 employees were rejected as a target and not assigned to any tier.

Tier 1 Filter

If the industry passed the size filter, the next step was to consider its growth. Has industry employment been stable or growing since 1996 (the earliest year for which ES-202 records for Los Angeles were available for this project)? Ideally, policy should be targeted at industries that have a growing presence in the local economy and serve as reliable sources of employment. Industries that have declining employment may be ones that are moving out of the area or whose members are losing in the competitive arena. In short, it is better to build upon strong sectors rather than to put workers at risk in weak sectors. If an industry had stable or growing employment since 1996, it moved on to the next filter test. If not, it was assigned to Tier 1 because it met the minimum employment size criteria.

Tier 2 Filter

The next filter revolves around average salaries. Was the average salary in the industry equal to or greater than \$30,000 in 2002? Earlier, we set the benchmark of comparison for sustaining jobs at a level equal to 150 percent of the federal poverty level for a one-parent, two-child family. In the labor market section, this level was \$20,134 in 1999. For 2002, this level was \$21,720. However, industry average salaries generated from the ES-202 data for Los Angeles include the relatively high salaries of managerial and technical staff. Thus we set the industry average salary at \$30,000 to account for the upward bias of management salaries. An industry that passes this filter moves on to the next level; otherwise, it is assigned to Tier 2.

Tier 3 Filter

The relative concentration of an industry within the City of Los Angeles serves as the next filter. If the industry’s proportion of total employment in Los Angeles is greater than the (same) industry’s proportion of employment for the nation, then Los Angeles has an above average concentration of employment in the industry. This ratio of ratios is commonly known as a location quotient. A location quotient of 1.0 means that industry jobs appear in the local economy in the same proportion as in the national economy. A location quotient that is greater than 1.0 means that industry jobs make up a greater proportion of jobs locally than they do nationally. Thus, the location quotient can be understood as a simple measure of competitive strength. For this filter, we set a limit of 0.9 for the location quotient. While this level is slightly lower (or weaker) than perfect parity with the nation, it helps us avoid selecting industries that are significantly underrepresented in Los Angeles’ economy. An industry that meets these criteria is moved on to the next filter. If it does not, it is assigned to Tier 3.



Tier 4 & 5 Filters

The Tier 4 filter examines the number of entry-level jobs. Can at least 30 percent of jobs in the industry be classified as entry-level jobs? We define entry-level jobs as those that take one year or less of specific training to prepare a worker for the job. If the industry has few entry-level positions then it is unlikely that it offers much opportunity for the working poor, or residents with average or less educational achievement, or little work experience to find employment. If the industry passes this filter, it is assigned to Tier 5. If it does not pass this filter it is assigned to Tier 4.

Table 6 summarizes the characteristics of industries that fall into each tier. The result of this filtering process is a ranking of industries by strengths in providing jobs. To apply these filters to industries in Los Angeles, we combined data from the ES-202 for Los Angeles and for the U.S. overall (U.S. data is publicly available through the U.S. Bureau of Labor Statistics) with estimates of entry-level jobs by industry generated from Occupational Employment Statistics (OES) and O*NET datasets. We then applied these filtering criteria to industries at the 4-digit NAICS level for the City of Los Angeles and each of the planning areas. A Microsoft Excel Table in the Data Appendix of Section IX details the filtering process for each planning area and the city.

Table 6-VIII

Industry Target Tiers and Their Characteristics	
Tier Level	Industry Characteristics
Tier 5	<ul style="list-style-type: none"> - The industry offers a significant number of entry-level jobs. - The industry has employment concentration in the local economy similar to the US overall. - The industry offers sustaining salaries. - The industry has stable or growing employment. - The industry is large.
Tier 4	<ul style="list-style-type: none"> - The industry has employment concentration in the local economy similar to the US overall. - The industry offers sustaining salaries. - The industry has stable or growing employment. - The industry is large.
Tier 3	<ul style="list-style-type: none"> - The industry offers sustaining salaries. - The industry has stable or growing employment. - The industry is large.
Tier 2	<ul style="list-style-type: none"> - The industry has stable or growing employment. - The industry is large.
Tier 1	<ul style="list-style-type: none"> - The industry is large.

Through this process of applying filtering criteria to the industries, we identified 76 industries that may be characterized as a Tier 4 or Tier 5 industry in at least one planning area of the City of Los Angeles. That 76 specific industries rose to the Tier 4 and Tier 5 levels is good news since it serves as a clear reminder that Los Angeles has a diverse and robust economy made up of many strong industries. A list of these 76 industries along with their NAICS codes and tier levels are displayed in Table 7.

Interestingly, despite the overall decline of manufacturing employment in Los Angeles, 14 of the 76 Tier 4 and 5 target industries are manufacturing industries. This demonstrates the diversity of the local economy. While manufacturing overall has declined, within that group there are still some shining stars at the 4-digit NAICS level. There are 12 manufacturing industries in the Tier 5 group and two manufacturing industries in the Tier 4 group. They include industries related to printing, electric machinery, medical equipment, pharmaceuticals, plastics, search and navigation equipment, and aerospace products. Further, it suggests that despite the massive decline in military spending in the 1990's, aerospace-related industries still play a significant role in the local economy. Additionally, there is an emerging biotech sector that includes medical device manufacturing and pharmaceuticals manufacturing.



Table 7-VIII

76 Unduplicated* Tier 4 and Tier 5 NAICS Industry Sectors in Los Angeles

NAICS	Title	Industry Tier*
2361	Residential Building Construction	5
2389	Other Specialty Trade Contractors	5
3118	Bakeries and Tortilla Manufacturing	5
3119	Other Food Manufacturing	5
3231	Printing and Related Support Activities	5
3254	Pharmaceutical and Medicine Manufacturing	5
3256	Soap, Cleaning Compound and Toilet Preparation Manufacturing	5
3261	Plastics Product Manufacturing	5
3323	Architectural and Structural Metals Manufacturing	5
3327	Machine Shops; Turned Product; and Screw, Nut, and Bolt Manufacturing	5
3339	Other General Purpose Machinery Manufacturing	5
3359	Other Electrical Equipment and Component Manufacturing	5
3391	Medical Equipment and Supplies Manufacturing	5
3399	Other Miscellaneous Manufacturing	5
4231	Motor Vehicle and Motor Vehicle Parts and Supplies Merchant Wholesalers	5
4232	Furniture and Home Furnishing Merchant Wholesalers	5
4233	Lumber and Other Construction Materials Merchant Wholesalers	5
4234	Professional and Commercial Equipment and Supplies Merchant Wholesalers	5
4236	Electrical and Electronic Goods Merchant Wholesalers	5
4237	Hardware, and Plumbing and Heating Equipment and Supplies Merchant Wholesalers	5
4239	Miscellaneous Durable Goods Merchant Wholesalers	5
4241	Paper and Paper Product Merchant Wholesalers	5
4243	Apparel, Piece Goods, and Notions Merchant Wholesalers	5
4244	Grocery and Related Product Wholesalers	5
4249	Miscellaneous Nondurable Goods Merchant Wholesalers	5
4251	Wholesale Electronic Markets and Agents and Brokers	5
4422	Home Furnishings Stores	5
4441	Building Material and Supplies Dealers	5
4452	Specialty Food Stores	5
4512	Book, Periodical and Music Stores	5
4539	Other Miscellaneous Store Retailers	5
4841	General Freight Trucking	5
4851	Urban Transit Systems	5
4931	Warehousing and Storage	5
5121	Motion Picture and Video Industries	5
5122	Sound Recording Industries	5
5152	Cable and Other Subscription Programming	5
5221	Depository Credit Intermediation	5
5223	Activities Related to Credit Intermediation	5
5231	Securities and Commodity Contracts Intermediation and Brokerage	5
5312	Offices of Real Estate Agents and Brokers	5
5324	Commercial and Industrial Machinery and Equipment Rental and Leasing	5
5412	Accounting, Tax Preparation, Bookkeeping and Payroll Services	5
5418	Advertising and Related Services	5
5419	Other Professional, Scientific and Technical Services	5
5511	Management of Companies and Enterprises	5
5611	Office Administrative Services	5
5613	Employment Services	5
5619	Other Support Services	5
6115	Technical and Trade Schools	5
6211	Offices of Physicians	5
6212	Offices of Dentists	5
6213	Offices of Other Health Practitioners	5
6214	Outpatient Care Centers	5
6221	General Medical and Surgical Hospitals	5
6241	Individual and Family Services	5



Table 7-VIII Cont.

76 Unduplicated* Tier 4 and 5 NAICS Industries in Los Angeles, 2002

NAICS	Title	Industry Tier*
2372	Land Subdivision	4
2382	Building Equipment Contractors	4
2383	Building Finishing Contractors	4
3345	Navigational, Measuring, Electromedical, and Control Instruments Manufacturing	4
3364	Aerospace Product and Parts Manufacturing	4
4831	Deep Sea, Coastal, and Great Lakes Water Transportation	4
5151	Radio and Television Broadcasting	4
5239	Other Financial Investment Activities	4
5241	Insurance Carriers	4
5411	Legal Services	4
5413	Architectural, Engineering, and Related Services	4
5414	Specialized Design Services	4
5415	Computer Systems Design and Related Services	4
5416	Management, Scientific, and Technical Consulting Services	4
5417	Scientific Research and Development Services	4
6114	Business Schools and Computer and Management Training	4
7111	Performing Arts Companies	4
7115	Independent Artists, Writers, and Performers	4
7121	Museums, Historical Sites, and Similar Institutions	4
8139	Business, Professional, Labor, Political, and Similar Organizations	4

*Unduplicated Tier 4 and Tier 5 Target Industries spread among the planning areas. To be included in the list the industry must serve as a T4 or T5 target in at least one LA City Planning Area.

The five largest Tier 5 industries in each planning area are displayed in Table 8 along with the total number of Tier 4 and Tier 5 target industries identified in each area in 2002. Central Los Angeles and the North Valley planning areas have the greatest variety of Tier 4 and 5 industries. In Central Los Angeles, 34 different industries can be classified as Tier 4 or Tier 5. For the North Valley, 26 industries can be classified as Tier 4 or 5. Interestingly, the North Valley planning area is the only area in which manufacturing industries are classified in the top Tier 5 industries. They include medical equipment and supplies manufacturing, plastics products manufacturing and other miscellaneous manufacturing. This runs against the general trend of overall manufacturing decline in the city. It also serves as a reminder of the broad diversity within industry sectors.

In the South Valley, two wholesale industries (grocery and apparel) are among the top five along with management of companies and enterprises, offices of physicians, and individual and family services.

In West Los Angeles, a number of health-care related industries populate the top five list. They include offices of physicians, dentists, and other health care practitioners. Construction and other professional, scientific and technical services round out the list. Health care industries are also listed for Central Los Angeles. General medical and surgical hospitals and offices of physicians are part of the top five list along with management of companies and enterprises, accounting and tax preparation, and apparel wholesalers.

General medical and surgical hospitals, and offices of physicians, top the list for East Los Angeles. Depository credit intermediation (commonly known as banking), management of companies and enterprises, and printing also are among the top five.



Wholesalers top the list for South Los Angeles. They include wholesale groceries and apparel along with management of companies and enterprises, offices of physicians, and bakeries.

The Harbor planning area had seven tier 4 and 5 industries, however only four industries made it to tier 5. At the top of the list is employment services. Wholesale durable goods and groceries are also part of the list. Like East Los Angeles, printing and related activities also made the list.

Table 8-VIII
Tier 4 and 5 Industries by Planning Area for Los Angeles, 2002

Planning Area	Num. Tier 4 & 5 Industries	Five Largest Tier 5 Industries by Planning Area		
		NAICS Code	Industry	2002 Employment
North Valley	26	5221	Depository Credit Intermediation	5,826
		3391	Medical Equip. & Supplies Mfg.	2,156
		3399	Other Miscellaneous Manufacturing	1,885
		3261	Plastics Product Manufacturing	1,747
		4234	Whsl. Prof. & Commercial Eqp. & Supplies	1,659
South Valley	17	5511	Mgt., of Companies & Enterprises	7,661
		4244	Whsl. Grocery & Related	3,437
		4243	Whsl. Apparel, Piece Goods, Notions	3,267
		6211	Offices of Physicians	1,963
		6241	Individual & Family Services	1,561
West LA	16	6211	Offices of Physicians	2,320
		6212	Offices of Dentists	1,494
		2361	Residential Building Construction	1,292
		5419	Other Prof., Sci., Tech., Services	1,017
		6213	Office of Other Health Practitioners	894
Central LA	34	6221	General Medical & Surgical Hospitals	39,572
		5511	Mgt., of Companies & Enterprises	12,429
		6211	Offices of Physicians	8,358
		5412	Account., Tax Prep., Bookkeeping, Payroll	6,424
		4243	Whsl. Apparel, Piece Goods, Notions	6,071
East LA	10	6221	General Medical & Surgical Hospitals	4,703
		5221	Depository Credit Intermediation	2,829
		3231	Printing & Related Support Act.	2,511
		5511	Mgt., of Companies & Enterprises	2,350
		6211	Offices of Physicians	1,944
South LA	19	5511	Mgt., of Companies & Enterprises	7,661
		4244	Whsl. Grocery & Related	3,437
		4243	Whsl. Apparel, Piece Goods, Notions	3,267
		6211	Offices of Physicians	1,963
		3118	Bakeries & Tortilla Mfg.	1,793
Harbor	7	5613	Employment Services	2,231
		4244	Whsl. Grocery & Related	820
		3231	Printing & Related Support Act.	655
		4239	Whsl. Durable Goods	602

Sources: Economic Roundtable, ES-202

Promising Occupations

How many entry-level jobs are available within promising industries and what occupations do they represent? Policy makers and educators can use this information to focus training programs on specific knowledge and skill sets that will help workers secure good jobs within target industries. Ideally, these new knowledge and skill sets will build upon the existing skills of workers in the class of greatest need for new opportunities – the working poor. Therefore, we identified career ladders that serve as bridges between the most prevalent occupations of the working poor and better paying entry-level occupations in the Tier 4 and 5 industries identified earlier.



The process of creating career ladder bridges between the current occupations of the working poor and those in better paying entry-level occupations in Tier 4 and Tier 5 industries is outlined in Figure 30. It requires six major steps, four of which we address in this report. The remaining two will need to be addressed by training providers.

Figure 30-VIII

Steps for Building Career-Ladder Bridges Between the Working Poor and Target Industries

1. Identify the most prevalent occupations among the working poor population in Los Angeles.
2. Identify job families using the tool from the O*Net Database (occupations that are related based on worker skills and interests) and rank them by their average wages in Los Angeles County.
3. Identify occupations that require a year or less of specific training from within the Tier 4 and 5 target industry list (see Table 6 above).
4. Identify job families that include entry-level occupations in Tier 4 and 5 industries and then outline the knowledge and skill sets required for workers to move from their current jobs into related entry-level jobs with higher wages in the Tier 4 and 5 industries.
5. Develop training programs for entry-level workers based on the knowledge and skill sets required for career progression within the Tier 4 and 5 industries.
6. Connect newly trained workers with available jobs.

The first step was to identify occupations that are most prevalent among working poor residents of Los Angeles. This list of occupations is provided in Table 9. It was generated from 2000 U.S. Census PUMS data for the City of Los Angeles. The occupations are numbered and titled by their Standard Occupational Classification (SOC) codes and titles. According to the 2000 U.S. Census PUMS data, 235,000 city residents work in these 15 occupations.

Table 9-VIII

15 Occupations Employing the Most Working Poor Residents of the City of Los Angeles		
SOC Code	SOC Title	Number of Working Residents
Healthcare Support		
31-1010	Nursing, Psychiatric, & Home Health Aides	9,199
Food Preparation & Serving Related		
35-2010	Cooks	17,030
35-3031	Waiters & Waitresses	10,345
Building & Grounds Cleaning & Maintenance		
37-2011	Janitors & Cleaners	19,147
37-2012	Maids & Housekeeping Cleaners	25,927
37-3010	Grounds Maintenance Workers	12,156
Personal Care & Service		
39-9011	Child Care Workers	14,019
Sales & Related		
41-2010	Cashiers	24,629
41-2031	Retail Salespersons	19,452
Office & Administrative Support		
43-9061	Office Clerks, General	8,877
Construction & Extraction		
47-2061	Construction Laborers	13,526
Production		
51-6031	Sewing Machine Operators	25,883
51-9199	Production Workers, All Other	9,822
Transportation & Material Moving		
53-3030	Driver/Sales Workers & Truck Drivers	14,339
53-7062	Laborers & Freight, Stock, & Material Movers, Hand	10,919

Source: US Census 2000 PUMS 5% Sample



Our next step was to identify job families that include these 15 occupations from a tool available in the U.S. Employment Training Administration's O*NET Occupational Information Network. Once we identified the occupations that make up the job family for each of the 15 working poor occupations, we then ranked them by their average wages in Los Angeles County and identified those occupations that are used in the Tier 4 and 5 industries. With average wages added in and the related occupations ranked, they take on the form of a career ladder – a selection of occupations linked by common knowledge sets and interests of workers, and ranked by average wages.

An example of a career ladder for light or delivery service truck drivers is provided in Table 10. The job family for this occupation includes three other occupations that all provide higher wages and all are available within the Tier 4 and Tier 5 target industries. In short, with additional knowledge and skills a person working as a delivery service truck driver can move into a better paying job as a heavy-truck driver or a transit bus driver for a salary increase of up to \$11,249.

Table 10-VIII
Career Ladder for Light or Delivery Service Truck Drivers

Occupation Titles	SOC Code of Related Occupation	Training Time	LA City 2002	LA County 2002	Average LA County Wage 2003 (\$)
			Target Industry Employment in Occupation	Total Employment in Occupation	
Bus Drivers, Transit and Intercity	53-3021	0-3 Months	1,646	9,950	36,829
Truck Drivers, Heavy	53-3032	0-3 Months	980	27,750	36,207
Industrial Truck and Tractor Operators	53-7051	0-3 Months	1,032	16,620	33,029
Truck Drivers, Light or Delivery Service	53-3033	0-3 Months	2,065	33,350	25,580

Source: US Census PUMS, O*NET Online, OES Occupational Matrix

To move into a higher paying job, one needs to have the knowledge and skills necessary to meet the requirements of the job. Through O*NET, we identified the knowledge and skill sets required for each occupation in the job families that include the 15 occupations of the working poor listed in Table 9. While the specific information is too lengthy to list here, it is included in the Data Appendix of Section IX. However, an example of the knowledge and skills needed for a delivery truck driver to become a transit bus driver are listed in table 11. In order to make this career advancement change, a typical delivery truck driver must improve in four knowledge areas and six skill areas.

These listings of the relative levels of knowledge and skills may be very useful for Worksource Centers, educational institutions and others agencies that seek to provide education and training services to workers, since they provide a framework upon which education and training programs can be developed. The related occupations and their matched knowledge and skill requirements can serve as a powerful tool for providing workers with the right combination of abilities to secure new, higher-paying jobs. While we constructed occupational career ladders out of related occupations within distinct job families, it is also possible to identify career bridges between the knowledge and skill requirements of any two or more occupations.

We included a list of all of the occupations related to the 15 working poor occupations that also represent entry-level jobs in the Tier 4 and Tier 5 industries in the Data Appendix of Section IX, specifically, identifying related occupations in each of the Tier 4 and Tier 5 industries.



Table 11-VIII

Skill and Knowledge Level Changes Required to Move from Working as a Delivery Service Truck Driver to Transit Bus Driver			
	Truck Drivers, Light or Delivery Service	Bus Drivers, Transit and Intercity	Change in Knowledge and Skills Required
SOC Code of Related Occupation	53-3033	53-3021	
Training Time	0-3 Months	0-3 Months	
Knowledge	Knowledge Levels (0-100)		
Mechanical	42	45	Increase
Public Safety and Security	30	35	Increase
Customer and Personal Service	28	33	Increase
Mathematics	28	30	Increase
Transportation	47	40	-
Geography	33	33	-
Law and Government	30	26	-
Clerical	28	21	-
Telecommunications	28	9	-
Skill	Skill Levels (0-100)		
Operation and Control	42	59	Increase
Service Orientation	30	35	Increase
Social Perceptiveness	26	33	Increase
Time Management	23	33	Increase
Coordination	26	30	Increase
Judgment and Decision Making	21	30	Increase
Operation Monitoring	40	38	-
Repairing	40	38	-
Equipment Maintenance	42	30	-
Reading Comprehension	35	30	-
Speaking	30	30	-
Equipment Selection	28	28	-
Active Listening	30	28	-
Troubleshooting	33	21	-

Source: O*Net Online

Four knowledge categories that commonly need upgrading include:

- **Administration and Management**

Knowledge of principles and processes involved in business and organizational planning, coordination and execution.

- **Customer and Personal Service**

Knowledge of principles and processes for providing customer and personal services, including needs assessment techniques, quality service standards, alternative delivery systems, and customer satisfaction evaluation techniques.

- **Mechanical**

Knowledge of machines and tools, including their design, uses, benefits, maintenance and repair.

- **Clerical**

Knowledge of administrative and clerical procedures and systems such as word processing systems, filing and records management systems, stenography and transcription, form design principles, and other office procedures and terminology.



Four skills that commonly need upgrading include:

- **Reading Comprehension**

Understanding written sentences in work-related documents.

- **Speaking**

Talking to others effectively to convey information.

- **Active Listening**

Listening to what other people are saying and asking appropriate questions.

- **Operation and Control**

Controlling operations of equipment or systems.

Definitions of all the knowledge and skill levels, along with examples of what the importance measure of each category means, are provided in the Data Appendix of Section IX.

Two steps remain in the process of building bridges between the occupations of the working poor and better paying jobs in the target industries. Specifically, they are to develop training programs for entry-level workers based on the knowledge and skill sets required for career progression within the Tier 4 and 5 industries (Step 5 in Figure 30) and then to connect newly trained workers with available jobs. In addition to the right knowledge and skills, getting connected to new opportunities is of critical importance. A key consideration in this process is that in most cases it is likely that workers will need to change both employers and industries in order to find a better paying job. Workers may have to explore industries they have never thought about and approach unfamiliar employers. Left on their own workers may have a difficult time envisioning themselves succeeding in a new industry, a new place and making contact with a new employer.

Competition for Jobs

Using OES data, combined with the O*Net Knowledge and Skills Database, 2000 U.S. Census PUMS data and ES-202 data, we projected the number of entry-level jobs in Tier 4 and Tier 5 target industries that represent steps in a career ladder from the most prevalent working poor occupations identified in Table 9. For the city overall in 2002, there were 140,000 jobs in entry-level occupations among the Tier 4 and Tier 5 target industries. As we noted earlier, we define entry-level jobs as jobs that require one year or less of specific training for a worker to be qualified for the job. These jobs were spread among 116 different occupations. A detailed list of these occupations for the city and for each planning area is included in the Data Appendix of Section IX. A summary of the entry-level occupations for the city can be seen in Figure 31. More than half of the entry-level jobs in Tier 4 and Tier 5 industries are in the office and administrative support group. Transportation and material moving are second, though much less prevalent. Sales and related occupations, and health care occupations are also near the top of the list.

While there is a wide array of options for targeting industries and focusing training on promising occupations, a concern for policy makers is the aggregate number of workers that will likely compete for these promising jobs. An obvious and important question is, are there enough entry-level jobs in promising occupations available to absorb those who need them? This question is answered in part by the information displayed in Figure 32. Roughly 40 percent of the working-poor population in



Los Angeles is employed in the 15 occupations identified earlier in Table 9 (235,000 people). There are 68 related occupations that employ 53,000 people in Tier 4 and Tier 5 industries in Los Angeles. In other terms, this means there are roughly four working-poor persons for each promising occupation in Tier 4 and 5 industries. Additionally, there is abundant competition from people throughout Los Angeles County that already hold a position in one of the promising occupations in other industries and in related occupations in other industries. As these workers look to move up the career ladder, change employers or maybe change residence, they will compete for this limited pool of promising jobs. Thus, while we can identify promising occupations for the working poor, based on Los Angeles' current inventory of jobs there are not enough living-wage jobs to absorb all of the people who need them.

The implication of Figure 32 is that the Los Angeles community will need to focus on job formation, as well as worker training, to fully accommodate the need for better jobs within the city. Job creation and linked worker training programs will help some workers find jobs in promising occupations. But there are large numbers of adults with low-levels of educational achievement, and a corresponding need for ongoing, large-scale skill-development initiatives to build human capital, including English-language proficiency, within Los Angeles' labor force. The Los Angeles Workforce Literacy Project (<http://www.workforceliteracy.com>) is a good example of the type of initiative needed to raise the skill level in Los Angeles' labor force.

Figure 31-VIII

Occupational Groups of Jobs Requiring Less than 1 Year of Training in Tier 4 and 5 Industries in the City of Los Angeles

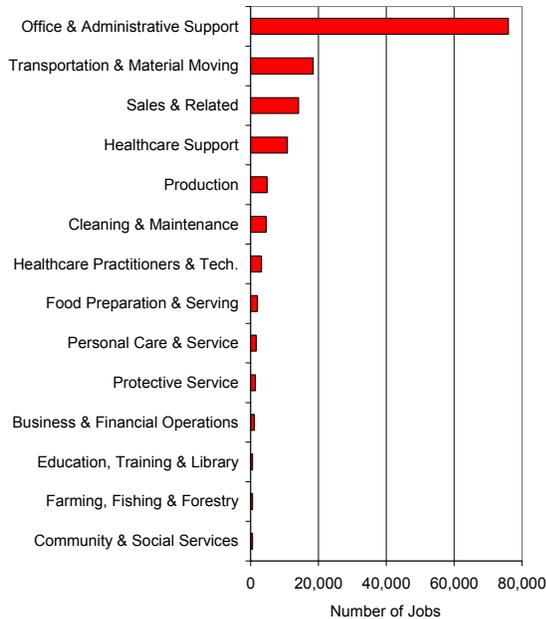
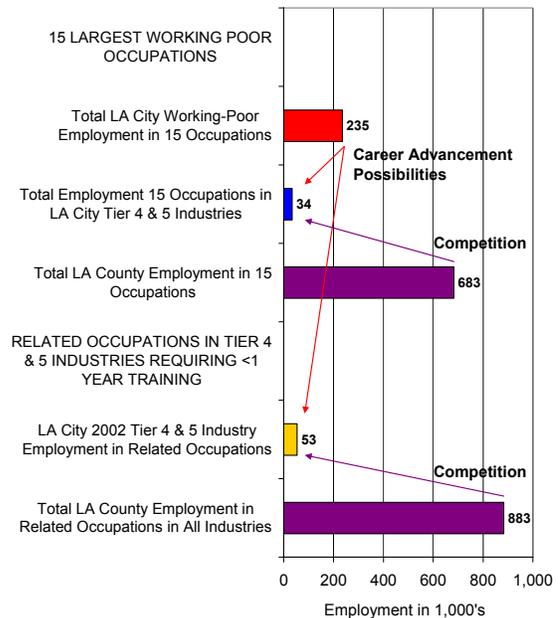


Figure 32-VIII

LA City Working-Poor Residents and Promising Jobs in Target Industries
Number of Workers in 15 Largest Occupations and Number of Related Jobs Requiring <1 Year of Training in Tier 4 & 5 Industries





Concluding Points

The City of Los Angeles is challenged to help its residents improve their skills and education, and to help employers expand their businesses and provide more sustaining jobs. There are opportunities for meeting this challenge both in the variety and number of industries in Los Angeles that provide promising jobs with good wages. Key findings about the city's economy and the practical implications of these findings for helping city residents find good jobs are outlined below.

Los Angeles' Resident Workers

- 1 in 6 workers in the city report limited English proficiency.
- 1 in 4 workers in the city do not earn a living wage.
- While we can identify limited-English-proficient and working-poor persons in every planning area, there are high concentrations in East Los Angeles and South Los Angeles. In each of these two planning areas, more than one-quarter report limited English proficiency and one-third do not earn a living wage.
- Educational achievement is related to higher earnings across all planning areas, even for adults reporting limited English proficiency.
- East Los Angeles and South Los Angeles have large adult populations (over 40 percent) without HS diplomas. For West Los Angeles this proportion is only 6 percent.
- The largest industry employers are also the ones that offer the lowest average wages including restaurants, services to buildings and dwellings, and cut-and-sew apparel manufacturing.
- Immigrants and the working poor tend to concentrate in similar occupations suggesting that many of Los Angeles' newest residents are struggling with poverty.
- Workers in Central Los Angeles, East Los Angeles, South Los Angeles and the Harbor area earn salaries below the city average.
- The San Fernando Valley is home to the highest share of the city's working residents – 36 percent of working residents live in the North and South Valley planning areas.

Implications

There is a rough northwest – southeast divide in the prosperity of Los Angeles' resident workers. The majority of private-sector jobs and many growing industries are located in the North Valley, South Valley and West Los Angeles planning areas. Alternatively, many working-poor residents concentrate in East Los Angeles and South Los Angeles. These two planning areas also have high concentrations of limited-English-proficient workers and adults without a high school diploma. Barring other barriers to employment, the best path to a sustaining job is a good education. Targeted job training and skill development will help workers to find better jobs and ascend career ladders. In addition, many of Los Angeles' working residents will benefit from improved English language proficiency. This, coupled with the high numbers of adults without a high school diploma in East Los Angeles and South Los Angeles, suggests that the city should implement broad educational initiatives targeted at adult learners. The City of Los Angeles Workforce Literacy Project is an important step in the right direction.



Additionally, increased services are needed to help working-poor residents gain access to employment opportunities in areas of the city outside their local neighborhoods.

Los Angeles' Resident Employers

- Los Angeles only recently recovered the jobs lost in the recession of the early 1990's.
- Formal employers provided 1.67 million jobs in the City of Los Angeles in 2002.
- Together, private employers in East Los Angeles, South Los Angeles and the Harbor area provided only 18 percent of jobs in the city in 2002.
- The greatest growth in jobs in the city between 1996 and 2002 was in West Los Angeles and the Valley areas.
- Manufacturing jobs (both durable and nondurable) suffered deep declines while the fastest growing jobs were in services.
- In 2002, large establishments made up the minority of establishments in the city (2.6 percent), yet they provided roughly 55 percent of jobs in the city.
- There was no major industry sector in the city in which small establishments (20 or less workers) provided the majority of jobs in 2002.
- Multi-site employer startup establishments show a higher one-year survival rate than single-site employer startups.

Implications

The majority of jobs in the city are located in areas furthest from the working poor, so it is important to:

1. Foster the development of sustaining jobs in geographic areas of greatest need, namely in the East Los Angeles, South Los Angeles and Harbor planning areas.
2. Connect workers with jobs. Workers may not be aware of opportunities in geographic areas that are unfamiliar to them. Thus, they may need assistance in both identifying and accessing job opportunities beyond their immediate neighborhoods.

Government Employment

- Local, state and federal government account for 15 percent of jobs in Los Angeles County.
- Local governments provide roughly 80 percent of government jobs.
- Local government jobs increased, but this is largely due to class size reduction initiatives that forced the expansion of employment in elementary and secondary schools.
- Federal government jobs have declined significantly due to the decline in defense-related government jobs.
- Elementary and secondary school jobs account for 42 percent of full-time government jobs and 53 percent of part-time government jobs in Los Angeles County.
- The Los Angeles Unified School District is the largest government employer in the City of Los Angeles, providing 77,527 jobs in 2002.



- Growing areas of government jobs include judicial, legal, welfare and health-related jobs. Declining government job areas include police, hospitals, corrections and electric power.
- Most government jobs offer living wages, with an average monthly wage for Los Angeles County of \$4,426 in 2002.

Implications

Government provides a significant number of jobs in Los Angeles County and Los Angeles city. These jobs typically pay good wages and salaries. However, the formation of government jobs does not respond to the same sorts of stimuli that might be applied to the private sector. Nevertheless, the city can pursue outreach to disadvantaged or nontraditional groups to ensure that all workers gain access to government employment opportunities. This outreach will also serve to establish model training programs that can be replicated in the private sector.

Target Industries

- Although the distribution of industries across Los Angeles is uneven, there are promising industry targets (Tier 4 and 5) in every planning area of the city.
- The city overall has 76 Tier 4 & 5 industries characterized as large, competitive employers that offer good wages and large numbers of entry-level jobs.
- Despite the region's ongoing decline in manufacturing jobs, there are still manufacturing industries in the North Valley and South Valley planning areas that meet the Tier 4 and 5 criteria.

Implications

The Los Angeles economy is built upon a large and diverse array of industries. Many of these industries appear to offer promising job-development prospects. These industries should be targeted, not only to help them expand and develop new jobs in the region, but also to connect them to workers with the greatest need for good jobs. Ideally, new job formation would occur in geographic areas of the city that are home to workers with the greatest need for good jobs.

Promising Occupations

- 15 occupations are prevalent among the working poor.
- We identified jobs in related job families for these 15 occupations that also represent entry-level jobs in Tier 4 and 5 target industries.
- For the jobs in these related job families, we have also identified knowledge and skill categories that typically need upgrading. Knowledge categories that frequently need upgrading for entry-level jobs in promising industries include administration and management, customer and personal service, mechanical and clerical. Skill categories that frequently need upgrading include reading comprehension, speaking, active listening, and operation and control skills.
- Currently, there are not enough entry-level jobs in the Tier 4 and 5 target industries for the workers who need them.

**Implications**

A key to helping workers find and maintain good jobs in good industries is to ensure there are enough jobs available to employ the city's labor force. Specifically, Tier 4 and 5 industries that offer entry-level jobs with promising career prospects are the best targets. Therefore it is important to:

1. Provide training and placement assistance to current workers so they can gain access to better jobs in target industries.
2. Use the skill and knowledge upgrade categories identified in this career ladder analysis to identify a core curriculum of competencies for workforce training programs.
3. Train the Worksource Center staff to use these tools to identify client-specific job ladders for gaining access to promising occupations.
4. Implement strategies to accelerate job growth in the target industries.