

# San Mateo County Job Creation Investment Fund: Summary Report

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## I. Introduction

This report summarizes previous findings and reports developed as part of the San Mateo County Job Creation Investment Fund (JCIF) project. In addition, it describes the results of the JCIF project in San Mateo County in terms of the existing and forthcoming changes in employment and training programs serving CalWORKs clients and other County residents. Specifically, the next section of this report reviews the history of the JCIF project in San Mateo County and describes the characteristics of the County's CalWORKs caseload and general economic environment that shaped the focus of the project on job matching, job retention, and job advancement rather than on job creation. Section III reviews the suggested strategies for job advancement for CalWORKs clients and other entry-level workers that resulted from interviews with key San Mateo County employers as reported in the *Labor Market Study* report prepared in July 2000. Section IV summarizes the key findings reported in the *Summary and Ranking of Training Recommendations* that identified possible changes in the employment and training programs available in the County to better match the skills and competencies identified by employers as the keys to obtaining entry-level jobs and begin the climb up the first one or two rungs of career ladders in the occupation or industry. The concluding section discusses the changes already implemented by the San Mateo County Human Services Agency and describes the additional forthcoming improvements in the County's employment and training programs that have resulted from the JCIF project.

## II. Background

The Job Creation Investment Fund project started in 1998 in San Mateo and other California counties with an overall objective to create jobs that would increase current and former welfare clients' self-sufficiency. San Mateo County, however, already had extremely low unemployment at the time and this trend has continued. For example, as shown in Figure 1, the unemployment rate in the County held steady around 2 percent since January 1998 and in September 2000 was 1.5 percent. San Mateo County has historically had one of the lowest unemployment rates in the State. As Figure 1 illustrates, even though unemployment rates have fallen almost 40 percent for the state as a whole since 1995, the statewide rate has consistently been about twice as high as that found in San Mateo County.

From the outset of the project it was clear that an emphasis on job creation in San Mateo County would have been misplaced. With the low levels of unemployment, employers stressed that they were having great difficulty recruiting and retaining employees of all skill levels. For example, in the Silicon Valley reports of average "wait times" to fill jobs were on the order of 4 months in 1998, and have not decreased during the past two years. Many firms have expanded their Human Resources Departments to include full time recruiter positions, and have all devoted a great deal of time to considering ways to increase recruitment and retention. Given this extremely tight labor market, every local employer that provided input into the design of the JCIF project expressed frustration with

what they perceived to be a lack of qualified applicants for their existing job openings and fervently rejected any notion of efforts to create new jobs in this economic environment.

The combination of strong economic conditions and the desperation of local employers to fill existing positions provided a unique opportunity for the San Mateo County JCIF project to consider alternative strategies for increasing the self-sufficiency of current and previous welfare clients. With the approval of the California Trade and Commerce Agency, the JCIF project in San Mateo County seized upon this opportunity to learn what strategies would best achieve the objectives of getting welfare clients placed in existing jobs, keeping those jobs, and facilitating their advancement up a career ladder thereby increasing their chances of achieving financial self-sufficiency.

A two-step approach was designed to achieve these objects. The first step involved an assessment of the skill sets of current CalWORKs clients in San Mateo County and an examination of the recent employment experiences of former and current CalWORKs clients. The second step involved discussions with key employers in San Mateo County to ascertain the skills employers deemed necessary to not only obtain and retain employment, but also to begin climbing the most common career ladders associated with entry-level positions.

The assessment of the skill sets and recent employment experiences of former and current CalWORKs clients found that, at first blush, the outlook for County clients is good. Figure 2 shows that the percentage of both One- and Two-parent CalWORKs cases with at least one adult employed (those with earnings) has been increasing since 1995. In the last quarter for which data are available, one-half of One-Parent cases had labor market earnings, as did 70 percent of Two-Parent cases. As shown in Figure 3, the number of One- and Two-parent cases has fallen dramatically since 1995. As CalWORKs caseloads have fallen, an increasing percentage of the remaining cases have found employment. However, many of these jobs pay low wages relative to the high cost-of-living in the County with most jobs paying under \$8 an hour. Moreover, of the clients that find jobs, many do not keep them for long, and most of those experience several months of joblessness before securing another. Furthermore, an investigation of the skill sets for those having difficulty finding or keeping jobs suggested that many of these clients lack basic reading and arithmetic skills.

Interviews with local employers focused on identifying the skills employers want entry-level applicants to possess and the skills and aptitudes needed to retain jobs and advance beyond entry-level positions. Interviews were also structured to learn about any recent experiences employers had with current or former CalWORKs clients, common pitfalls leading to job separations, and the opportunities for advancement. Employers were selected for inclusion in the study based on the occupations expected to have job growth in the County during the next few years and the types of jobs CalWORKs clients were already finding. Business services, health services, hospitality, and food services were expected to grow at rates faster than the County average, and were included in the study. In addition, CalWORKs clients were already finding employment in sales, business services, skilled and unskilled labor, personal services, and food services. Based on the high prevalence of

jobs recently obtained by CalWORKs clients, employers in the sales sector were included as well. Interviews were completed with 31 employers in the following industries:

Retail	7
Health Care	6
Business Services	4
Education	3
Food Service	3
Transportation	3
Hospitality	2
Manufacturing	2
Other	1

These firms were located throughout the County and maps of their locations can be found in the *Labor Market Study* report.

When interviewed, employers were asked to describe their requirements for entry-level positions. Interviewers also asked how an employee would successfully retain employment and how she or he might advance on the job. Details regarding experiences with current and former welfare clients were also gleaned from interviews. Finally, employers were asked to describe what skills were most lacking among job applicants and employees, how employers were currently addressing any deficiencies, and which of these they would like most to see addressed by training programs in the County.

The results of these interviews with 31 County employers were incorporated into the *Labor Market Study* report and the *Summary and Ranking of Training Recommendations* report. The first report summarized three advancement strategies that emerged from the analysis of the employer interviews. The three strategies were developed taking into account the range of skills and aptitudes of CalWORKs clients and to maximize the likelihood of success for different types of CalWORKs clients. Each strategy requires an increasing degree of initiative, and the report suggested that these strategies be spelled out to CalWORKs clients early on in the grant application and job search process. The second report emphasized the training needs of employers and how those needs might be addressed. In addition, this second report provided a brief overview of the training programs available in the County and determined that some changes might be useful, both in the classes offered and the content of some courses. The following two sections summarize the findings from *Labor Market Study* report (Section III) and the *Summary and Ranking of Training Recommendations* (Section IV).

### III. Strategies for Advancement

As a result of learning how to increase job matching and job retention among County employers, the *Labor Market Study* developed three different strategies for advancement that CalWORKs clients could use to increase responsibilities and pay. We emphasized these strategies in the report and believe they are the most important contribution of the interviews with employers to increasing job advancement for the County's CalWORKs clients. Because few current CalWORKs clients are qualified for high paying jobs (\$12 an

hour or more), most must accept jobs that pay between \$8 and \$10 an hour at the start. As a result, advancement on the job or to another job is the key to self-sufficiency.

These advancement strategies will be most successful when matched to clients' abilities and interests. They are (1) advancement on the job, (2) advancement by changing employers, and (3) advancement by pursuing education or training. Each is reviewed in greater detail below.

***Strategy 1: Advancement on the job***

Jobs in this category have a clearly defined progression from entry-level jobs to more advanced positions that provide higher wages with increased job responsibility. It is important that clients and caseworkers understand that these jobs are relatively rare, and still do require employees to exhibit initiative on the job. Often, a union process that rewards tenure and punishes poor performance creates the career progression in this category. Employees that remain on the job, perform their tasks well, and indicate a desire to advance will generally be able to do so. Even when unionization is responsible for guiding the advancement process, employees must let supervisors know they wish to advance in order to be considered for openings. Employees should take the initiative to ask for the chance to learn, take on more responsibilities, and be promoted, even if the supervisor does not spell out the terms by which to do so. Some examples of entry-level jobs in this category include loader/unloader, baggage handler, bank teller, courtesy clerk, line assembler, and clerical positions (in education). Advancing within the company may require changing locations.

***Strategy 2: Advancement by changing employers***

This is a good strategy for clients who express interest in creating a career for themselves, who are willing to change employers, and who possess the ability to juggle work and job search simultaneously. Clients with particularly low levels of skill or who lack work experience may find this to be the fastest way to advance. While clients with little or no work experience will not have difficulty finding jobs, starting pay will reflect their lack of skill and experience. Our research suggested that these clients might advance more quickly by moving to similar employers rather than remaining with their initial employer. Even making a lateral move into the same job in the same industry may result in higher pay. This strategy may be most effective in retail sales, food service, and hospitality. Clients planning to use this strategy should expect to continue job search activities while working, and should use their network of friends and co-workers to learn of opportunities with other employers.

***Strategy 3: Advancement by pursuing education or training***

Obtaining further training or education greatly increases an employee's range of opportunities for advancement, but this strategy often requires a great deal of initiative and investment of time outside work hours. Some employers offer free education or training at the work site, but this is rare. The two hotels in our survey had offered English instruction to employees on site (only one continues to do so). A second option is to pursue education independently while working. CalWORKs clients considering this option should target employers who offer training or tuition reimbursement. Health care, business service, and

private education employers often provide tuition reimbursement for courses related to employment within the institution. Health care and business services are also the industries in which additional training is likely to be most rewarded.

#### IV. Summary and Ranking of Training Recommendations

Employers raised a number of concerns about gaps in training and experience they noticed among both recent applicants and hires for entry-level positions. They also emphasized the importance of addressing these common skill deficits as a critical component of any efforts to improve job matching, job retention, and job advancement for current and former welfare clients. The *Summary and Rankings of Training Recommendations* report categorized the skills most crucial to employers and described how these training needs mesh with the advancement strategies summarized above. This report also assessed the extent to which these skill deficits are addressed by existing training programs in the County. In some cases, the recommendations and needs of employers led to suggestions regarding ways in which County training and education programs might be adapted or expanded in order to improve job matching, retention, and advancement for current and former welfare clients.

As noted above, during the course of the interviews it was apparent that employers believed there were a number of skill deficits among entry-level applicants and employees. Employers reported that welfare clients would most likely benefit from improved work/life, customer service, computer, and English communication skills. In addition, employers mentioned deficiencies in basic skills (reading, writing, and basic math) and also indicated that some occupational training or credentialing programs are lacking in the County, particularly in the health care professions. A brief overview of both County-provided work/life skills classes, which are required of CalWORKs clients, and private basic skills and occupational training programs suggested several possible changes to these programs. First, while many available programs meet some of the needs of area employers, improvements might be made to better prepare current and former CalWORKs clients for entry into the workforce. For example, the County-provided work/life skills classes, STEPS and JOB\$ NOW, address three of the four skills areas identified by employers as essential for success in entry-level jobs: work/life skills, such as attendance and punctuality, self-presentation, interview, and job search skills; customer service skills; and computer skills. These courses do not address the fourth area, ESL. The following points summarize our findings:

- While trainers emphasize punctuality and daily attendance for both the classes and work, there are few consequences for students who are tardy or absent. Indeed, trainers were sometimes late to the classes we observed, setting a bad example.
- Students are taught job search skills such as completing an application, creating a resume, and how to conduct oneself in an interview (appropriate physical appearance, listening skills, and how to convey skills and abilities). Job networking is also discussed, which is important to both finding a job and advancing by changing employers.

- While initiative is illustrated and rewarded in the classes, the frequency with which employers mentioned it as the key to advancement suggests that this could be emphasized more explicitly in the classes.
- The course emphasizes immediate work and places little emphasis on long-range career planning, such as saving for further training or identifying what skills and education are needed to move up a career ladder.

A quick review of English as a Second Language (ESL), General Equivalence Diploma (GED), and Adult Basic Education (ABE) classes indicates that these classes are free, abundant, and are offered in several locations throughout the County and at several different times, including evenings and weekends. Basic computer familiarity classes (courses that give instruction in mouse, email, and internet use, for example) are offered less often, at less convenient times, and can be quite expensive.

Specific occupational training programs were somewhat less plentiful than basic skills classes. In particular:

- Clerical training programs are fairly common, with costs similar to computer familiarity classes.
- Early Childhood Education training programs are available at community colleges for \$11/unit, but most are not on major public transportation routes. Consequently, transportation may be an issue preventing the utilization of these classes by CalWORKs clients.
- Specialized training programs in the medical professions (other than C.N.A.) are relatively rare despite the high demand for their graduates. Often, programs are offered only as full-time courses on weekdays, making them difficult to complete while holding a full-time job.
- Many employers noted that they prefer to hire graduates of training programs with a work component; however, many programs offered in the County do not incorporate on-the-job training.

Based on the above analyses, the following recommendations for training programs in San Mateo County emerged:

#### STEPS/JOB\$ NOW Classes

1. Courses could be more closely aligned with the demands of the workplace, and have real and enforced consequences of increasing severity for failing to meet performance expectations.

2. Courses could incorporate training on the role of initiative in advancement for each of the three strategies for advancement (on the current job, in changing employers, and in pursuing additional education).
3. Courses could provide information about how to pursue more advanced training while working, which would help clients plan more effectively for advancement in careers requiring certification or additional education.
4. More role-playing in customer service and communication skills may help clients deal with conflict on the job. Clients observed during their second mock interview performed much better than on their first.
5. Including more mock interviewing in the courses (with actual employers) would better prepare clients for actual job interviews. Ideally, these mock interviews would require “applicants” to display initiative and desire for advancement.

#### Basic Skills

1. Providing ESL courses at employer locations would bring English language instruction to some of those most in need of and most able to benefit from increased English proficiency. Employers with large numbers of non-native English speaking employees were very interested in this idea.
2. Other basic skills courses (reading, writing, basic math, and computers) could also be welcome at employer sites.

#### Occupational Training Programs

1. More health-related training programs are necessary, and more programs that hold classes in the evenings and weekends are essential for participants who are currently employed.
2. One trainer noted that working students have a much higher completion rate in training programs if they work on campus. Further work could be done to investigate the possibility of leveraging work-study as a way to combine work and school while receiving CalWORKs.
3. Employers and trainers repeatedly noted the difficulty entry-level workers have in maintaining reliable childcare and means of transportation. This impacts the ability to complete training programs and retain jobs. It is possible that additional promotion of already available services through the STEPS and JOB\$ NOW classes would be sufficient, but there may be a role for the County in providing additional support services, such as emergency childcare and emergency transportation assistance for those who have left CalWORKs.

## V. Outcomes Resulting from the San Mateo County Job Creation Investment Fund Project

The prior reports prepared as part of the JCIF project in San Mateo County were distributed to local employers through the County's Workforce Investment Board (WIB) and widely distributed among staff of the San Mateo County Human Services Agency, which includes the Employment and Training Division. The findings derived from the JCIF project that were included in these reports prompted several changes in some of the employment and training programs in the County. In addition, the Human Services Agency will also be implementing additional changes in these programs over the next few months as a result of the JCIF project. Below, we summarize the changes related to each of the recommendations described above.

Before discussing these changes, it is important to note that the coincidental development and implementation of PeninsulaWorks, the One-Stop employment services system in San Mateo County, has greatly helped and continues to facilitate the implementation of these changes. PeninsulaWorks provides a coordinated setting where both employers and job and training seekers can obtain assistance from a partnership of more than twenty community-based organizations, schools and colleges, and other government agencies.

### STEPS/ JOB\$ NOW Classes

#### 1. Courses could be more closely aligned with the demands of the workplace.

The Human Services Agency is continuing to refine and improve their Shared Undertaking to Change the Community to Enable Self-Sufficiency (SUCCESS) program that provides services to CalWORKs clients and other County residents. As part of their continuous improvement efforts, all of the recommendations related to the STEPS/JOB\$ NOW program are going to be addressed at the next program planning workgroup meeting in early 2001. In addition to discussing the recommendations developed out of the JCIF project, management staff and Employment Service Specialists (ESS) will also share ideas and best practices from among the four PeninsulaWorks sites to revise these classes to better serve clients. One of the key objectives of the meeting is to discuss how to better mirror the demands of the work place in the training program. In addition, there will be many new ESS and Supervisors attending this off-site meeting, which also provides opportunities to reinvigorate staff about the principals of the STEPS/JOB\$ NOW training course.

#### 2. Courses could incorporate training on the role of initiative in advancement.

STEPS/JOB\$ NOW courses currently touch on initiative as an important element to job advancement. However, initiative is more thoroughly addressed in a subsequent course called Your Employment Success (Y.E.S.), which is generally recommended to clients who are already working. Although the three advancement strategies discussed above are not specifically addressed, the Y.E.S. curriculum incorporates units on growing within the company, assertiveness training, the self-improvement (setting goals, the art

of receiving feedback, and becoming creative), and developing leadership skills. The County is considering explicitly encouraging CalWORKs clients to get instruction in those components of the Y.E.S. program most relevant to advancement.

3. Courses could provide information about how to pursue more advanced training while working.

While the STEPS/JOB\$ NOW classes do not include an instruction component on the availability and options for additional training programs, more advanced training is mentioned in the course of instruction. In addition, each user of PeninsulaWorks receives an orientation to the One-Stop system that provides extensive information about the availability of local education and training providers (both community colleges and others). PeninsulaWorks also co-locates ESSs, training programs, and education providers on site at four locations distributed across the County. As a result of these activities, community colleges have recruited 53 new students through PeninsulaWorks over the past few months.

In addition to the course adjustments and PeninsulaWorks activities, the Human Services Agency is contacting both current and former CalWORKs clients who are known to be working 30, 60, and 180 days after placement. At that time, staff inquire as to whether there are any additional services the clients may need. The Human Services Agency is considering extending the purpose of these calls to encourage the clients' career advancement by pointing them to other job openings and/or additional education and training programs that may be relevant.

4. More role-playing in customer service and communications skills may help clients deal with conflict on the job.

Customer service and communication skills are also more thoroughly addressed in the Y.E.S. program than in the STEPS/JOB\$ NOW curriculum. An entire unit of the Y.E.S. program covers these topics in greater detail. For example, the Customer Service unit addresses such topics as *Who is your Customer?*, *Quality Customer Service*, and *Tools for Serving Customers*.

5. Include more mock interviewing in the courses (with actual employers) would better prepare clients for actual job interviews.

The PeninsulaWorks partners are continually adding to their list of employers who come on site and conduct both mock and real interviews with students from the STEPS and JOB\$ NOW classes.

## BASIC SKILLS

1. Providing ESL courses at employer locations would bring English language instruction to some of those most in need and most able to benefit from increased English proficiency.

PeninsulaWorks is collaborating with San Mateo County's Workforce Investment Board (WIB) to create an *Employer Survival Guide* to facilitate the linking of employers with training providers. The goal of the guide is to make it easy for employers to identify resources that can best help them find the type of training they would like to offer their employees. PeninsulaWorks is also instituting an Employer Response Team at each of the One-Stop locations that will help broker education and training services, including providing information about any financial resources that may be available to subsidize employer cost. In addition, some education and training institutions, including those offering ESL instruction, have expressed an eagerness to work with specific employers, either at the One-Stop locations or at the employers' sites to provide more convenient access to courses.

2. Other basic skills courses (reading, writing, basic math, and computers) could also be welcome at employer sites.

Plans are currently in the development stage for coordinating the same information about the availability of basic skills courses as is being developed for ESL courses. Concurrently, a computer-based instruction and testing program based on Office Suite software, and widely used for skills testing by recruiters and temporary agencies, is being installed at PeninsulaWorks. Eventually, the courses and testing will be available in both Spanish and English at the PeninsulaWorks One-Stops throughout the County.

## OCCUPATIONAL TRAINING PROGRAMS

1. More health related training programs are necessary, and more programs that hold classes in the evenings and weekends are essential for participants who are currently employed.

The County currently has two initiatives underway to increase the provision of health care training and the matching of likely job candidates with better jobs. The first, called Health Careers, is a project with the University of California at San Francisco. If funded, this pilot program will put together a guide to health careers for Bay Area residents. In particular, the program's aim is to provide career guidance to those considering the health professions and provide information on how to best proceed with training and certification. The second program, called the Care Giver Training Initiative, targets health facilities employees and is designed to both recruit new people into the profession and to help current health care workers advance up the career ladder. This effort will be undertaken jointly by the County, local community colleges, adult education providers, and Regional Occupational Program (ROP). As a part of this initiative, ROP is looking at ways to make C.N.A. training more useful to participants, and may offer individual components of C.N.A. training that would allow

for quicker training and certification of the skills most needed in the County. Some of these sub-programs would also not require fingerprinting, which was identified as a barrier for some entry-level workers.

2. Further work could be done to investigate the possibility of leveraging work-study as a way to combine work and school while receiving CalWORKs.

Federal work-study pay is exempt from the income used in determining a CalWORKs grant and the Human Services Agency is very receptive to the possibility of expanding this option for current CalWORKs clients. The agency is going to determine the extent to which there are any additional work-study opportunities at local community colleges, and will work cooperatively with the community colleges to try and expand these resources.

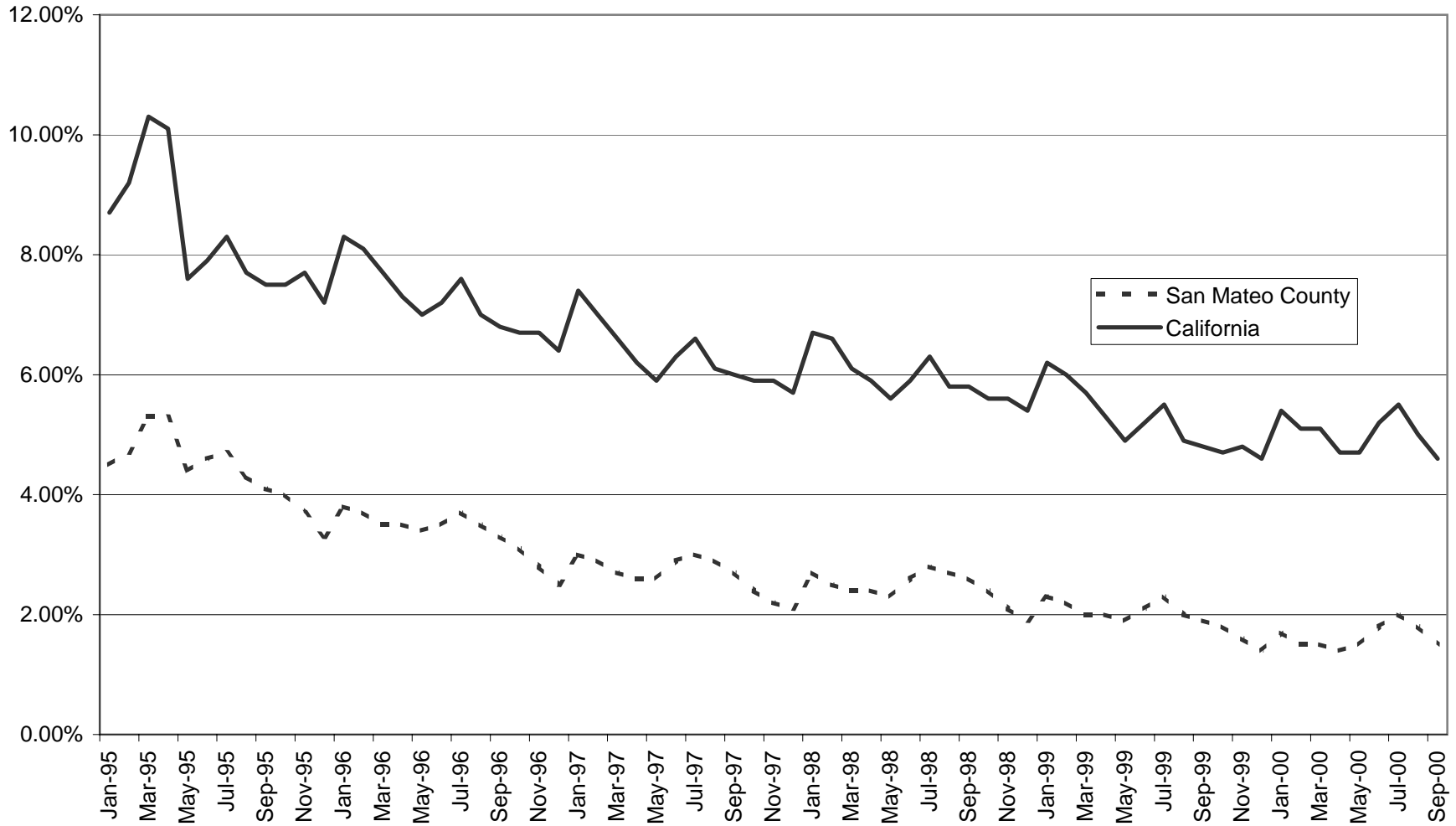
3. There may be a role for the County in providing additional support services, such as emergency childcare and emergency transportation assistance for those who have left CalWORKs.

The Human Services Agency is currently waiting to learn if they were successful in an attempt to secure funding to expand emergency transportation in the form of emergency rides home for CalWORKs participants who are meeting their work requirements. This funding would also cover low-income workers with family income below 200 percent of the Federal poverty level. In addition, the Human Services Agency is also working with the County bus system (SAMTRANS) to provide subsidized fares for Medi-Cal recipients.

The Human Services Agency does not support providing emergency childcare to current or former CalWORKs recipients, as one of the goals of the CalWORKs program is to ensure that recipient families accept the responsibility for this essential component of self-sufficiency. However, One-Stops now provide on-site childcare during some of their evening classes (for children ages 3 months to 5 years).

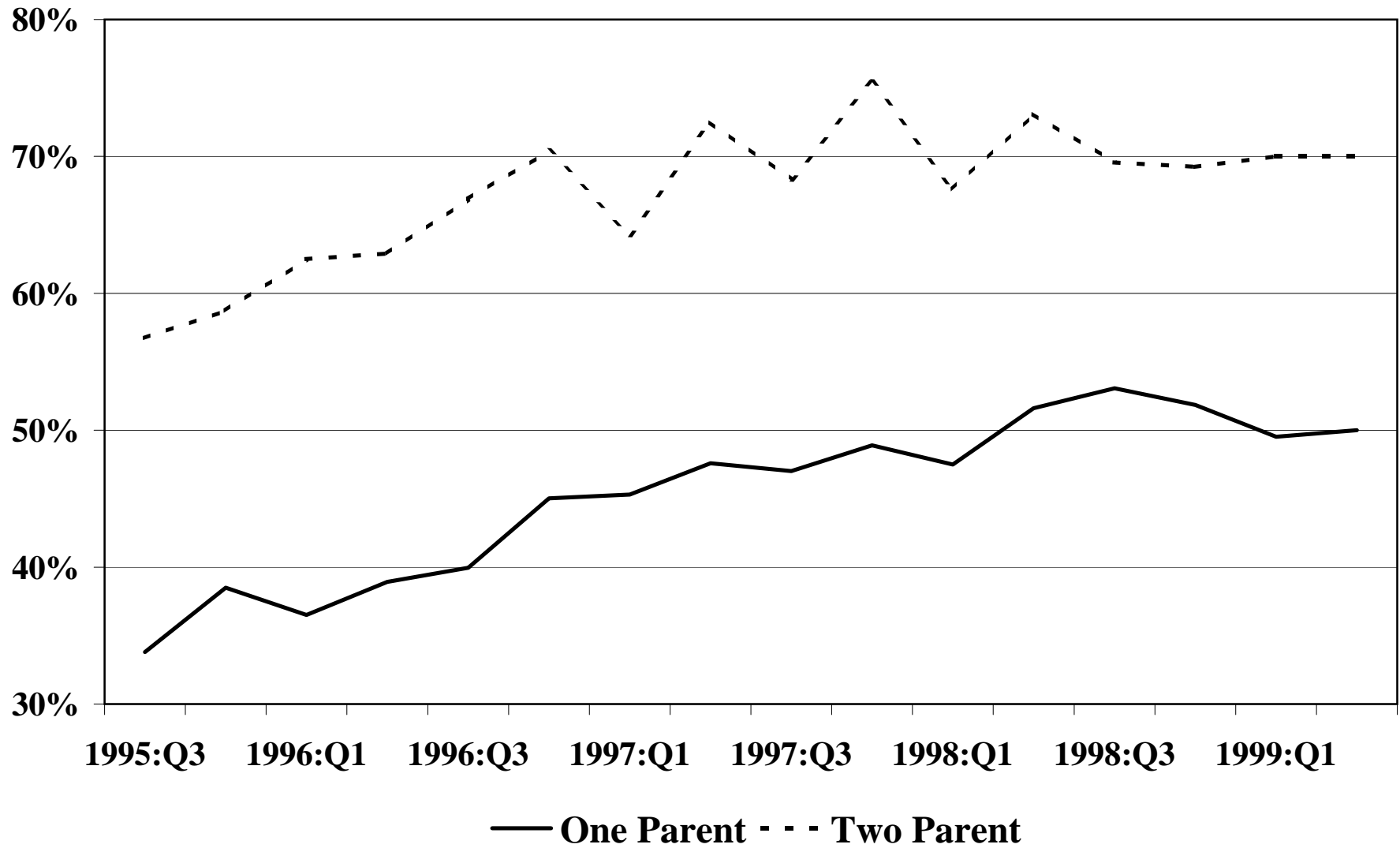
In summary, the JCIF project, through the modifications and proposed changes described above, resulted in improvement in the opportunities for low-income workers in San Mateo County to not only find jobs, but also to begin climbing the career ladders that will help ensure their successful journey toward economic self-sufficiency.

**Figure 1 Unemployment Rates: San Mateo County and Statewide**



**Source: Employment Development Department,  
Labor Market Information Division, 916-262-2162**

Figure 2 Percentage of CalWORKs Cases with Earnings by Case Type in San Mateo County



**Figure 3 One and Two Parent CalWORKs Cases in San Mateo County**

