

Shortchanged

Investing in Low-Wage Jobs Downtown An Evaluation of Downtown San Diego's Employment

A Research Report by the Center on Policy Initiatives

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Executive Summary

This study evaluates the types of employment in the private sector in the Centre City (downtown) area of San Diego.¹ Although the Centre City area has been the focus of 30 years and over \$780 million of public investment in urban revitalization – the jobs created in downtown San Diego do not contribute to the high-wage, high-tech economy for which the region is known. Rather, thousands of jobs in the downtown area pay below a self-sufficiency wage, and have higher rates of uninsured workers than in the County.

Lots of new jobs have been created downtown, but many of those jobs pay poverty wages.

- 15,000 net private sector new jobs have been created downtown between 1980 and 2004.
- 43,000 people currently work downtown in the private sector.

Almost half of downtown workers earn wages too low to support the high cost of living in San Diego.

- 19,765 people, or 46% of all employees earn less than a self-sufficiency wage (\$11.38/hr).
- 60% of the area's jobs pay under \$15.00/hr.
- The median wages of the ten largest occupations is under \$8.00/hr.

Large numbers of downtown workers are working but do not have health insurance.

- 8,175 people, or 19% of employees, do not have health insurance— a rate 4% higher than San Diego County.
- 65% of the employees have employer-provided health coverage, a rate 1% lower than San Diego County.

Downtown's jobs require little specialized education or training

- The majority of jobs (61%) require no specialized education or training beyond “on the job training.”
- Only 9% of downtown occupations require a Bachelor's degree, and another 8% require a graduate or professional degree.

¹ This report examined only private sector employment and job creation for two main reasons. First, public sector employment (City, County, State, Federal) is typically not affected by economic development since public sector employment is driven by budgets and planning and not market conditions. Second, the data are far more limited regarding wages and benefits for public sector employees, making such analysis infeasible.

Introduction

With the rapid growth in low-income jobs and shrinking middle-income employment, San Diego County is increasingly stratified between wealthy and poor households.² The San Diego Regional Chamber of Commerce warns that these trends cannot sustain a healthy regional economy if they are allowed to continue.³ By 2008, the largest job growth will be in occupations that pay relatively low wages and do not require advanced training or education (see Table I).

**Table 1: Occupations with the Largest Net Growth
San Diego County 2002- 2008**

Occupation	Number of New Jobs	Median Hourly Wage (2004)
Retail Sales	21,220	\$9.22
Food Prep	15,930	\$7.30
Cashiers	14,000	\$8.37
Waitpersons	11,020	\$7.47
Office Clerks	6,630	\$11.30
Janitors	5,820	\$8.99
Registered Nurses	5,720	\$27.84
Security Guards	5,260	\$9.05
Managers	5,120	\$41.36
Landscapers	4,930	\$8.99

Source: California Employment Development Department, 2004

These trends threaten to undermine the strong regional economy, making it more difficult for working San Diegans to afford the exceedingly high cost of living. They also increase the likelihood that working people must resort to public services for necessities such as health care and housing.⁴ The growth in low-wage employment also reduces the economic stimulus that new jobs create for the economy.

Economic development programs and policies, however, can address these problems. In this report, we examine the job creation in the Centre City Area (downtown San Diego) which is the City's largest publicly-financed economic development area.

Unless economic development is used to leverage taxpayer investment to create good jobs with health care, San Diego's taxpayers and downtown workers will continue to be shortchanged.

2 "Prosperity and Poverty in the New Economy," Center on Policy Initiatives, 1997.

3 "Employment Bulletin" San Diego Regional Chamber of Commerce, April 14th, 2004.

4 "Hidden Costs: The Public Costs of Low-Wage Jobs in San Diego," Center on Policy Initiatives, 2004.

Downtown's Revitalization

According to Redevelopment Law and State of California Legislative Findings, redevelopment must promote "the broad socioeconomic development of an area including expanding employment opportunities."

San Diego's downtown (also called the Centre City Area) has changed dramatically since the 1970s. Downtown's revitalization is the result of a number of factors: appreciation in the real estate market, the expansion of the convention center, the increase in conference and convention business, and the continued strength of San Diego as a regional and national tourist destination. Downtown's transformation is also the result of San Diego's largest and most expensive publicly-subsidized economic development project; to date, over \$780 million has been spent in redevelopment alone, and over

\$20 million has been spent in federal, state, and other programs.⁵ For 2005, the City of San Diego's Redevelopment Agency has budgeted over \$150 million for the Centre City Area.⁶

The specific goals of redevelopment are to promote urban renewal and economic development through job creation, improving infrastructure, and providing affordable housing. The mandate for these programs comes from California Redevelopment Law. Furthermore, as a part of the Public Health and Safety Code of the State of California, Redevelopment law provides significant powers to local agencies, including financing mechanisms and the condemnation of property, in order to carry out development. According to Redevelopment Law and State of California Legislative Findings, redevelopment must promote "the broad socioeconomic development of an area including expanding employment opportunities."⁷

Done wisely, these programs can promote economic development by creating and retaining good jobs locally. Indeed, creating and retaining good jobs – ones with high wages that provide health care and opportunities for upward mobility when workers gain new skills or training – is vital to keeping San Diego's economy strong. The City of San Diego has adopted policies and developed programs to attract and keep good jobs in San Diego. However, for our largest investment in job creation – downtown revitalization – there has been no systematic evaluation of the employment opportunities created downtown.

⁵ Centre City Development Corporation Proposed Budget 2005, City of San Diego. April 7, 2004.

⁶ Centre City Development Corporation Proposed Budget 2005, City of San Diego. April 7, 2004

⁷ State of California Redevelopment Law sections 33071.0 subsection c. State of California

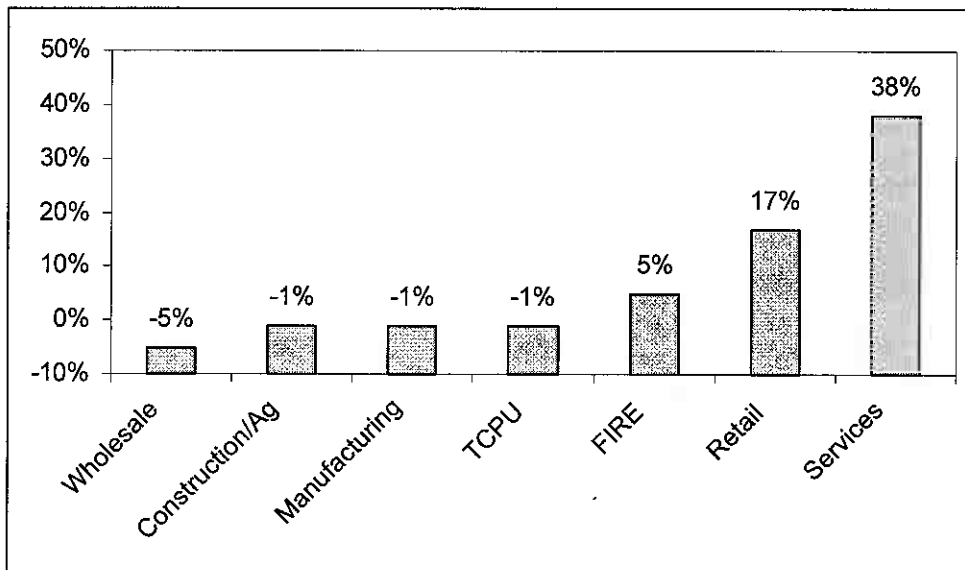
To ensure that our investment is meeting the goals of California Redevelopment Law as well as the City of San Diego's community and economic development guidelines, and to ensure that our public dollars are spent on the best investment for improving the working lives of all San Diegans, this report evaluates the quality and types of jobs created in the Centre City Area.

I. Shifting Employment Downtown 1980-2004

Since 1980, thousands of new jobs have been created downtown. Overall, this represents 6% of the total employment growth of the county between 1980 and 2000.⁸ Through 2004, there has been a net creation of 14,988 private sector jobs.

While San Diego is noted for much of the growth in information technology and biotech in the suburbs, since 1980 job creation in the Centre City area has taken place primarily in the service and retail industries. As Figure I indicates, the service industry saw a 38% increase between 1980 and 2004, while retail expanded by 17%. Financial and real estate services (FIRE) increased a modest 5%. The wholesale industry contracted the most, declining 5%, while construction and agriculture dropped 1% and manufacturing declined 1%. Transportation, communications and public utilities (TCPU) also declined a percentage point.

**Figure I: Shifting Employment Composition by Industry
Centre City Area 1980-2004**



Source: CPI analysis of Dunn and Bradstreet Business Data for the Centre City Community Plan Area, 1980-2004.

TCPU= Transportation, Communications, Public Utilities

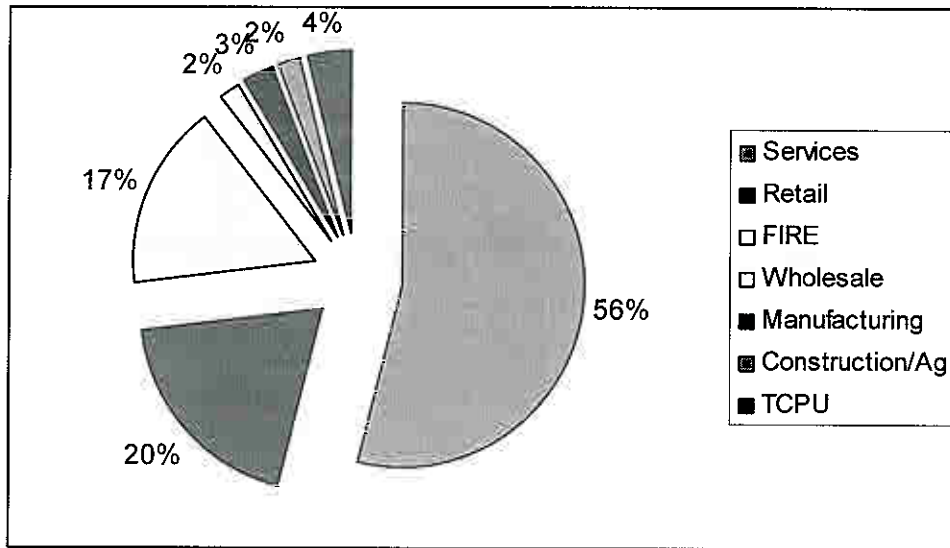
FIRE= Finance, Insurance, and Real Estate

The revitalization of San Diego's downtown has in fact contributed greatly to the shift in employment over time. The area has focused heavily on expanding the service

⁸ This figure is the total net Centre City private sector civilian job growth as a portion of 1980-2000 net job growth for San Diego County.

industries, particularly visitor services such as lodging, retail, and food service. As a result, the majority of current employment is in retail (20%) or services (56%) (see Figure II). Although a significant number of high rise office towers exist downtown, and the area has grown significantly over the past 25 years, only 17% of total private sector employment is in Finance/Insurance/Real Estate (FIRE). Manufacturing, Construction/Agriculture and Wholesaling are smaller segments of the industry employment, comprising only 7% of current employment.

Figure II. Employment by Industry (2 Digit SIC) 2004
Centre City Area



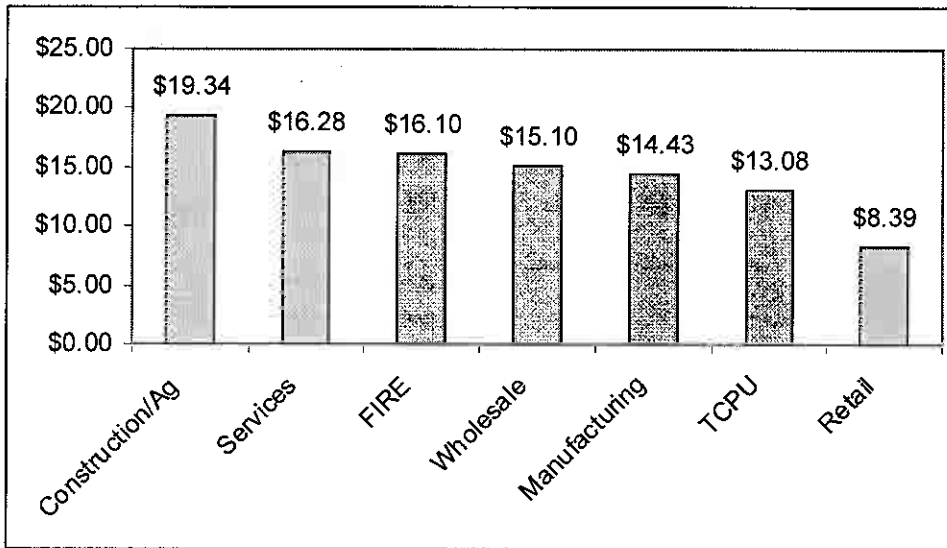
Source: CPI analysis of Dunn and Bradstreet Business Data for the Centre City Community Plan Area, 1980-2004.

The significant expansion of the service and visitor industries has created most of the new employment downtown. The next section of this study reveals that many of these jobs do not provide sufficient wages to ensure that San Diegans earn enough to make ends meet.

II. Wages

Wages vary considerably from industry to industry (see Figure III). Although most of the industries have median wages slightly above a self-sufficiency wage of \$11.38/hr,⁹ large numbers of jobs pay far below that rate. The retail industry has the lowest median wage rate (\$8.39/hr), while the construction/agriculture industry has the highest median hourly wage (\$19.34/hr). These figures translate into annual wages (Table II) for a full-time earner ranging from \$16,780 to \$38,680.

Figure III: Industry Median Wages



TCPU= Transportation, Communications, Public Utilities
 FIRE= Finance, Insurance, and Real Estate

Table: II: Annual Median Wage¹⁰

Retail	\$16,780
Transportation, Communications and Public Utilities	\$26,160
Manufacturing	\$28,860
Wholesale	\$30,200
Finance, Insurance and Real Estate	\$32,200
Services	\$32,560
Construction and Agriculture	\$38,680

Wages by Industry

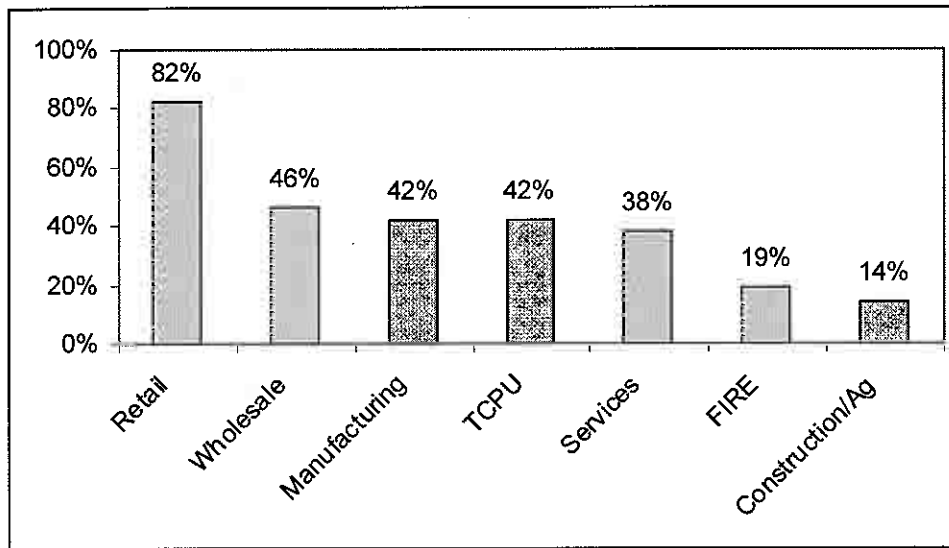
Although the industries tend to have median wages above a self-sufficiency wage, overall, 46% of the jobs pay below a self-sufficiency wage. In fact, a closer examination

⁹ \$11.38/hr is based on a self-sufficiency budget for the consumer prices of 2002 in San Diego; see CPI's publication "Making Ends Meet"

¹⁰ Based on a full-time earner for an entire year (2000 payroll hours)

reveals that a significant portion of the employment within each industry is below a self-sufficiency wage. Figure IV shows the percentage of industry employment with median wages below a self-sufficiency wage. For retail employment, 82% of jobs pay below a self-sufficiency wage. Wholesale, manufacturing, and Transportation, Communications, and Public Utilities each have over 40% of their employment paying below a self-sufficiency wage, with Fire, Insurance and Real Estate (FIRE) and Construction/Agriculture having 19% and 14% paying below a self-sufficiency wage, respectively.

Figure IV: Percentage Industry Employment with Median Wages Below Self Sufficiency

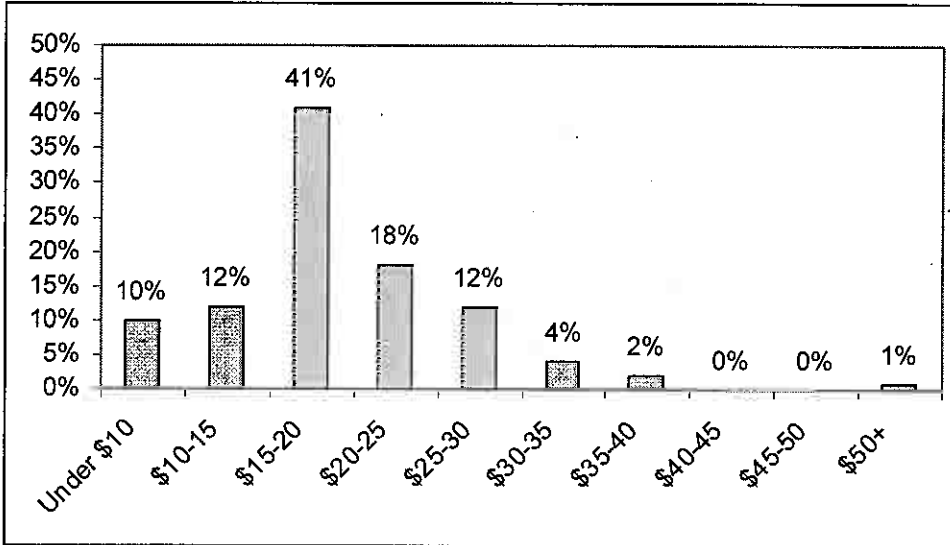


The overall distribution of wages in each industry illustrates a more important trend, however: even in higher-paying industries, most of the occupations pay wages at the lower end of the wage scale.

Construction Industry

Construction and agriculture industries include agricultural processing, fishing, and all forms of construction – general construction, heavy construction (such as bridges/roadwork) and specialty construction (such as historical preservation, or the building of hazardous waste processing facilities). In construction/agriculture, the majority of the occupations (63%) pay \$15-20/hr or less, while 22% pay \$10-15/hr or less, and 10% pay under \$10/hr (see Figure V).

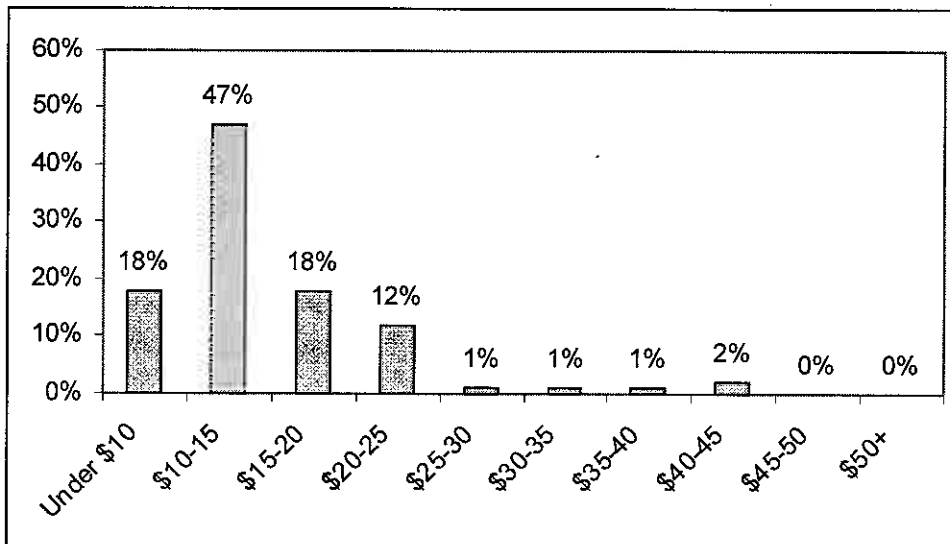
**Figure V:
Construction and Agriculture Industry Distribution of Median Hourly Wages**



Transportation, Communications and Public Utilities

The Transportation, Communications, and Public Utilities industry sector (TCPU) includes rail, air and other passenger transportation; transportation services, such as taxis and buses, communications companies (phone/internet); and utilities such as electrical and gas suppliers. The TCPU wages (Figure VI) also shows a predominance of jobs paying at the lower end of the wage distribution. 83% of jobs pay \$15-20/hr or less, 65% of jobs pay at or below \$10-15/hr, and 10% pay at or below \$10/hr.

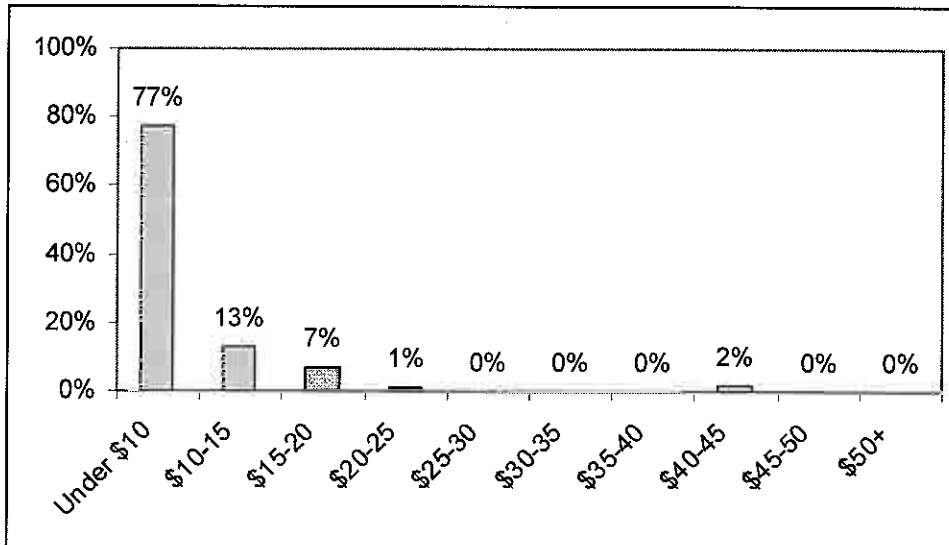
**Figure VI
Transportation, Communications, and Public Utilities Industry Distribution of Median Hourly Wages**



Retail Industry

The retail industry includes businesses that sell building materials, hardware, food, general merchandise, apparel, home furnishings, food and beverages, and other miscellaneous sellers of consumer products. The retail industry has the lowest median wage rate, and overall the bulk of the employment pays well below a self-sufficiency wage. 97% of the jobs in this industry pay at or below \$15-20/hr, 90% of the jobs pay at or below \$10-15/hr (Figure VII), and 77% of the jobs pay at or below \$10/hr.

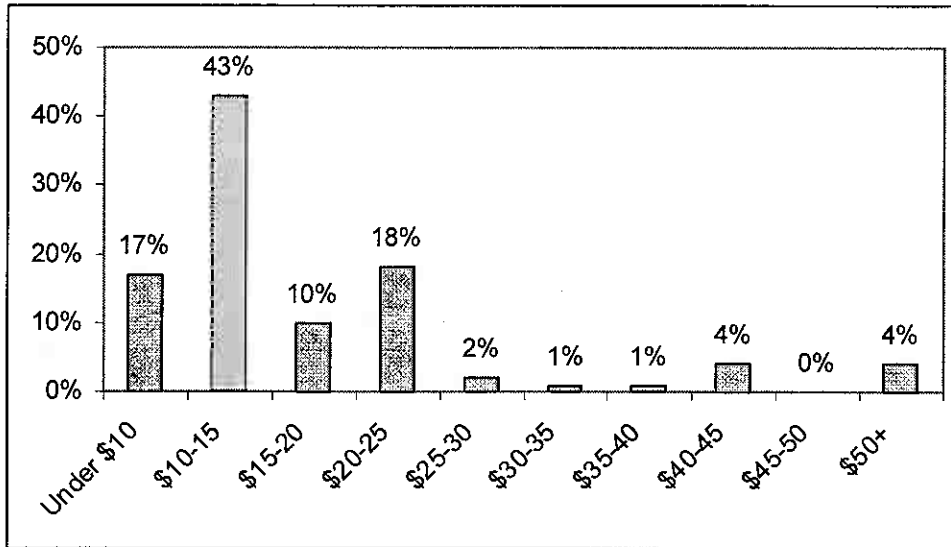
Figure VII: Retail Industry Distribution of Median Hourly Wages



Wholesale Trade

Wholesale trade includes both the sale of durable and non-durable goods to retailers and other businesses. Wholesalers are typically distributors of goods from manufacturers to retailers. The wholesale industry is significantly better than retail in terms of wage distribution: 71% of jobs pay at or below \$15-20/hr, 61% of the jobs pay at or below \$10-15/hr, and 17% of jobs pay at or below \$10/hr (Figure VIII).

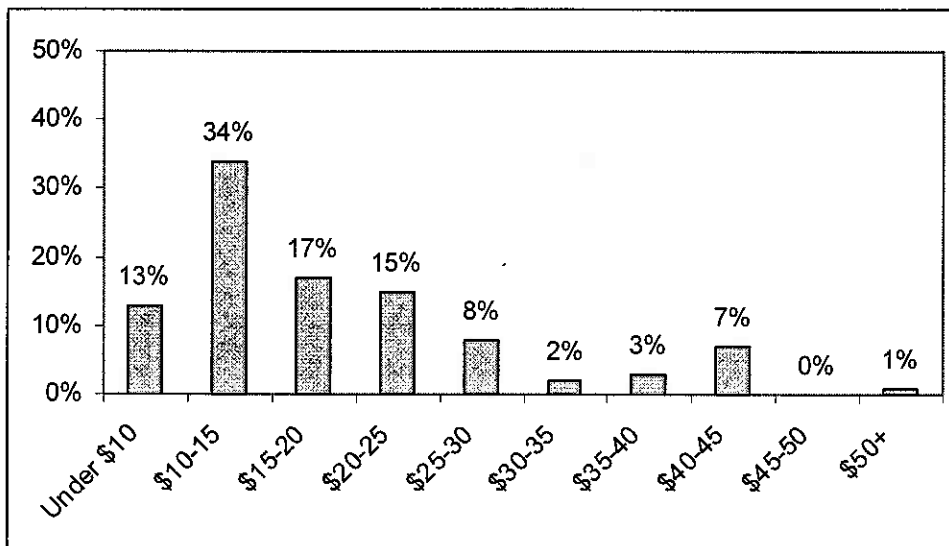
Figure VIII: Wholesale Industry Distribution of Median Hourly Wages



Finance, Insurance and Real Estate

The Finance, Insurance, and Real Estate Industry (FIRE) includes banks, security and commodity brokers, insurance agents and brokers, real estate companies and other investment firms. Despite being one of the higher paid sectors today, the Finance, Insurance and Real Estate industry still has most of its employment at the lower end of the pay scale. Nearly half (47%) of the employment in this industry has hourly median wages at or below \$10-15/hr, while nearly two thirds (64%) of the employment pays median wages at or below \$15-20/hr (Figure IX).

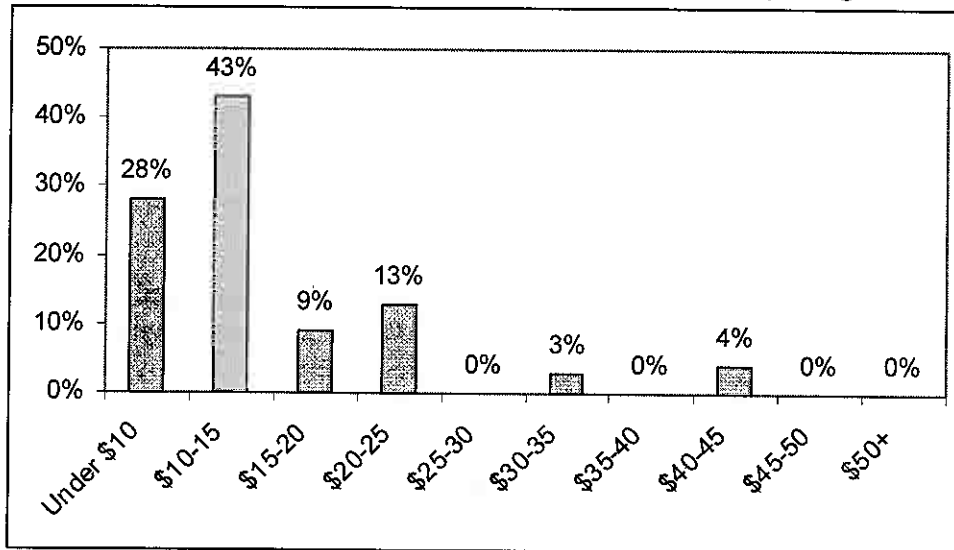
Figure IX: Finance, Insurance, and Real Estate Industry Distribution of Median Hourly Wages



Manufacturing

Manufacturing includes the production of goods including paper products, printing and publishing, chemical products, and specialized instruments and equipment. Very little manufacturing exists downtown. Although manufacturing tends to have higher wage levels than other sectors, the industry also has a majority of employment in the lower part of the wage distribution. In manufacturing, 79% of jobs pay at or below \$15-20/hr, 70% of the jobs pay at or below \$10-15/hr, and 28% of the jobs pay at or below \$10/hr (Figure X).

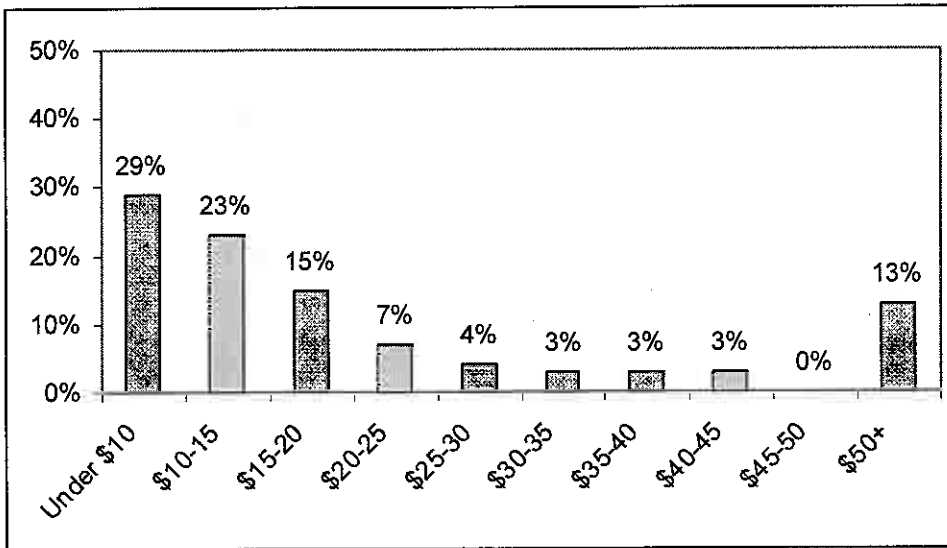
Figure X: Manufacturing Distribution of Median Hourly Wages



Service Industry

The service industry is the largest and most diverse sector of the economy. Services include hotels, personal services, business services, amusement and recreation, health and legal services, museums, engineering, accounting, research, management and other related services, as well as a host of miscellaneous services. The largest sector of employment by far, the service industry is particularly important. It not only represents the largest share of jobs, it is also likely to generate the largest share of new employment as the area continues to expand employment in visitor and other services. Wages, however, fall very unequally within the industry. As Figure XI shows, 66% of jobs pay at or below \$15-20/hr, 51% of jobs pay at or below \$10-15/hr, and 28% of service industry employment pays below \$10/hr.

Figure XI: Service Industry Distribution of Median Hourly Wages



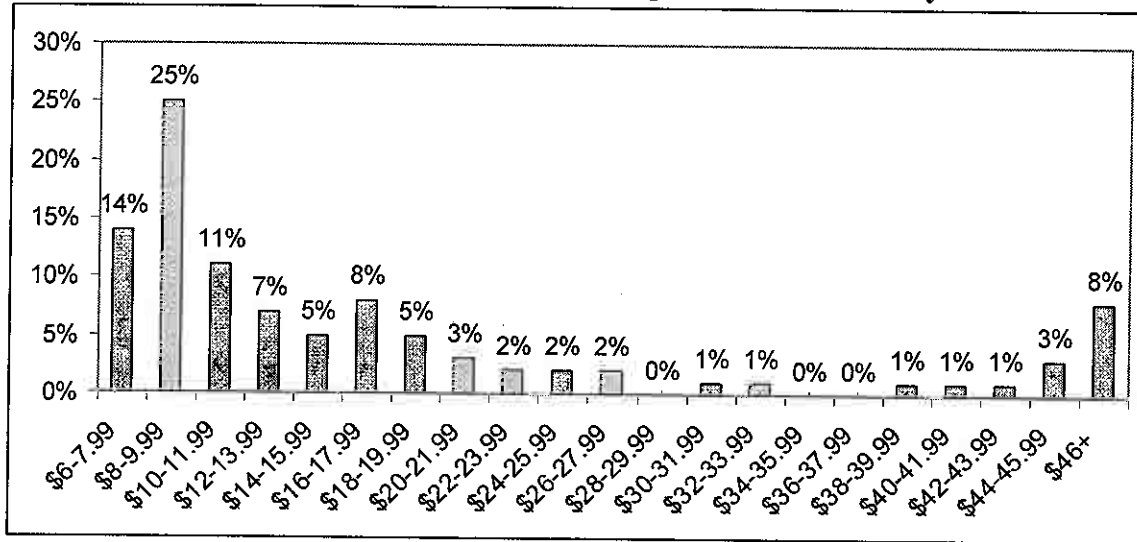
Wages by Occupation

While industry wages are important indicators of the types of jobs being created, there is also a high degree of variation across occupations. Service sector employment, for example, includes both high- and low-wage occupations; legal services employ lawyers and legal secretaries; and food and beverage services employ large numbers of waiters, waitresses and food preparation staff. Similarly, visitor services such as hotels employ large numbers of housekeepers. A closer examination of the occupations in the downtown area provides a more detailed picture of what types of jobs are being created across all industries.

Overall, as Figure XII shows, the jobs downtown tend to pay on the lower end of the wage scale. 14% of the jobs pay under \$8.00/hr, 38% of the jobs pay under \$9.00/hr, and 60% pay under \$15.00/hr. The clear trend is the significant expansion of low-wage occupations, with few jobs in the middle-income distributions and some growth at the very high end of the income scale.

584	Receptionists & Information Clerks	\$ 7.94
557	Cooks, Restaurant	\$ 7.81
524	First-Line Sups/Mgrs of Office & Admin Support	\$ 13.61
456	Hotel, Motel, & Resort Desk Clerks	\$ 8.34
455	Parking Lot Attendants	\$ 7.25
427	Dining Rm & Cafeteria Attendants & Bartender	\$ 7.28
406	Secretaries, Except Legal, Medical, & Executive	\$ 10.06
387	Janitors & Cleaners	\$ 7.62
361	Dishwashers	\$ 7.34
341	First-Line Sups/Mgrs of Retail Sales Workers	\$ 11.05
339	Financial Services Sales	\$ 16.01
325	First-Line Sups/Mgrs Food Prep/Serving Workers	\$ 8.82
322	File Clerks	\$ 7.92
308	Landscaping & Grounds keeping Workers	\$ 7.67
307	Bartenders	\$ 6.99
306	Taxi Drivers & Chauffeurs	\$ 7.72

Figure XII: Overall Distribution of Hourly Wages in the Centre City Area



As Table III indicates, while lawyers and legal secretaries make up the two largest occupations, half of the 10 largest occupations pay below a self-sufficiency wage. As noted earlier, many of these occupations have the largest projected growth. The 30 largest occupations indicate a general trend towards some high-paid jobs, but the majority of jobs are lower-paid, and there are few middle income occupations. These 30 occupations represent over half (53%) of the private sector employment downtown, providing a good indication of larger occupations in the area. The ten largest occupations alone make up over 31% of the total downtown private sector employment.

Table III: 30 Largest Occupations and Median Wage Rates

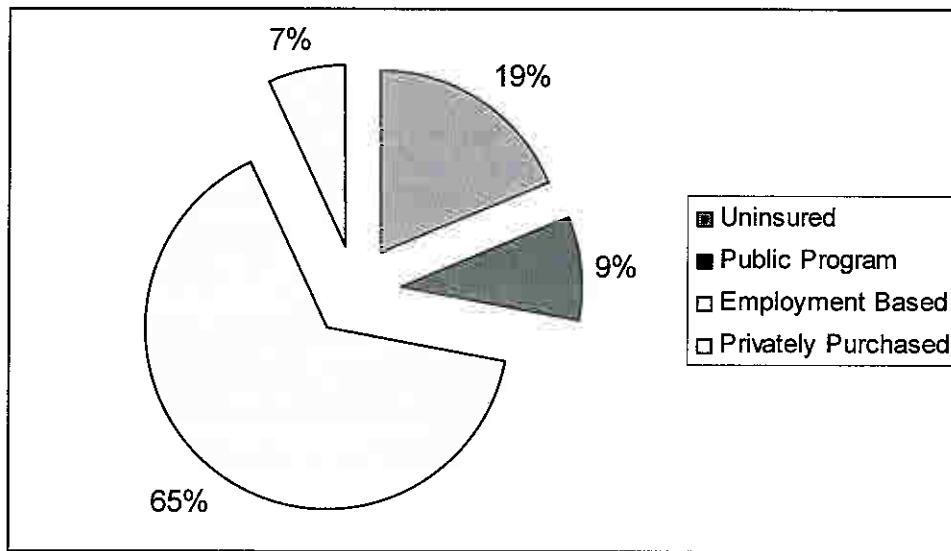
Jobs	Occupation	Wage
2905	Lawyers	\$ 32.03
1835	Legal Secretaries	\$ 16.28
1419	Waiters & Waitresses	\$ 7.13
1404	Retail Salespersons	\$ 7.66
1355	Maids & Housekeeping Cleaners	\$ 7.53
1101	Comb Food Prep & Serving Workers	\$ 7.16
968	Security Guards	\$ 7.69
948	General & Operations Managers	\$ 24.33
878	Office Clerks, General	\$ 8.26
813	Executive Secretaries & Administrative Assist	\$ 13.08
791	Customer Service Representatives	\$ 9.96
771	Bookkeeping, Accounting, & Auditing Clerks	\$ 10.94
719	Cashiers	\$ 7.34
607	Maintenance & Repair Workers, General	\$ 9.41

III. Health Coverage

Health coverage is clearly a great concern for San Diegans. Employers and employees both face rising costs. Jobs which provide no health coverage – or coverage that is prohibitively expensive for employees – add to the growing ranks of the uninsured.

In the downtown area, more than 8,000 private sector employees (8,175 or 19% of employees) do not have health insurance. An additional 9% are using public insurance programs, and 7% have privately purchased insurance. 65% have employer provided coverage, either through their primary employer or their spouse’s employer.

Graphic I: Health Insurance Status of Employees Downtown

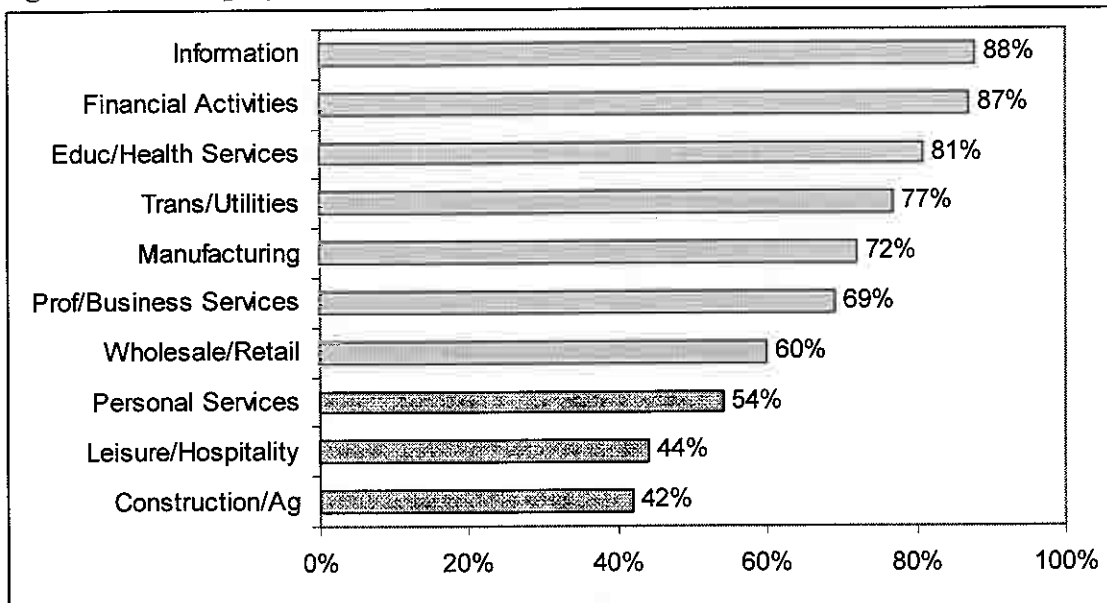


Source: CPI calculations based on UCLA CHIS Data, 2003.

Using coverage rates from the UCLA California Health Interview Survey (CHIS), our analysis shows a high degree of variation in health coverage rates by industry. Employees receiving coverage in each industry range from a low of 42% in Construction/Agriculture and 44% in the Leisure and Hospitality industry (restaurants and hotels), to a high of 81% in the Information industry (computer, data, and information technology firms) (see Figure XIII).¹¹

¹¹ These data have slightly different industries than the aforementioned employment analysis because they are using the new North American Industry Classification System (NAICS). This system provides even more specificity than the earlier Standard Industry Classification System (SIC). For example, the NAICS Leisure and Hospitality Industry includes only hotels and restaurants, whereas in the SIC system, it was impossible to get data just for those two types of firms alone; they were included in a larger set of service and retail industries.

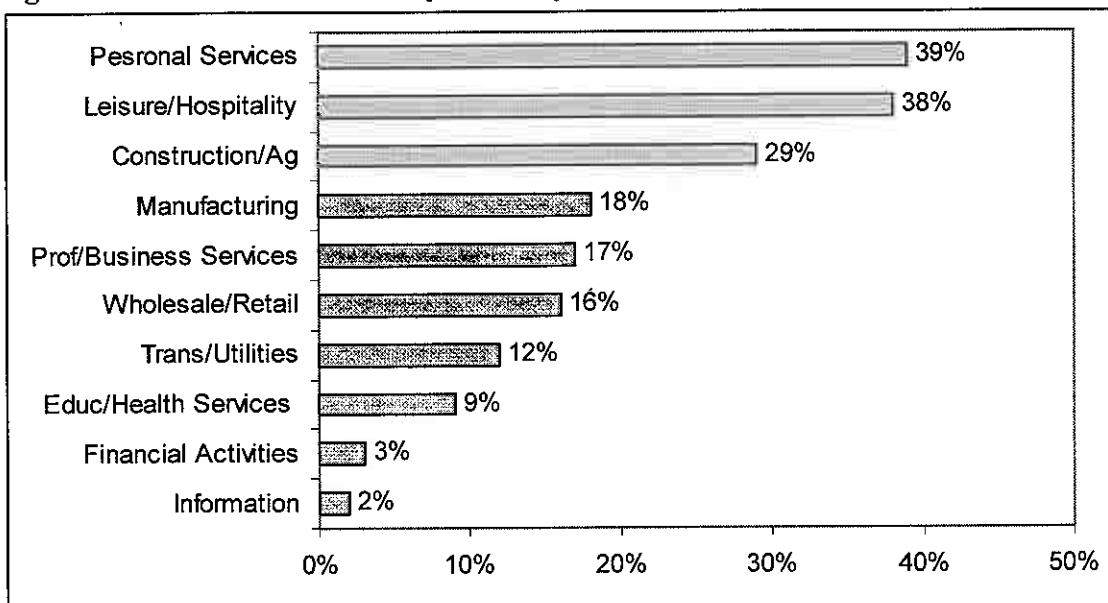
Figure XIII: Employer Provided Insurance Rates by Industry



Source: CPI calculations based on UCLA CHIS Data, 2003.

Uninsured rates also vary by industry (Figure XIV). Leisure/Hospitality (restaurants and hotels) and the Personal Services (parking lot services, auto repair and beauty salons) Industries have the highest rates of uninsured—38 and 39% respectively, while Information and Financial Activities Industries have the lowest rates at 2-3%.

Figure XIV: Uninsured Rates by Industry



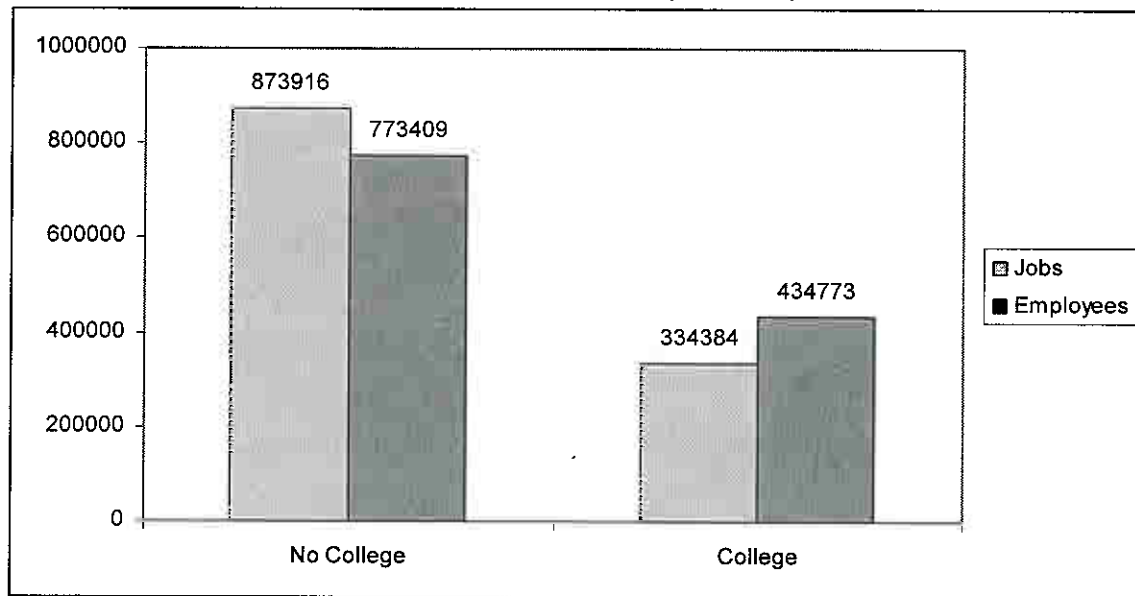
Source: CPI calculations based on UCLA CHIS Data, 2003.

IV. Training Levels and Skills Required

A strong regional economy requires not only high-paying jobs that provide health care coverage, but also jobs which require highly-skilled employees who can take advantage of changing industry employment in today's economy. Although San Diego's high tech and biotech industries demand many skills for which San Diegans need additional training or education, our city has one of the most highly educated and trained workforces in the country, ranking third nationally in human resources for biotech.¹²

An analysis of regional labor demand and supply by the San Diego Association of Governments (SANDAG) (Figure XV) indicates that although there are some specialized skills gaps in the regional workforce, we have an oversupply of highly skilled workers (see Figure XV). There are not enough good jobs that require the levels of education or training that the workers already have. As Figure XV details, we have over 100,000 more jobs in the County that do not require any specialized training or education than we do employees that don't have specialized training or education. At the other end of the labor market, we have 100,000 more workers with some college training or education than occupations that demand such training or education.

Figure XV: Labor Supply and Demand, San Diego County 2002



Source: SANDAG and San Diego Workforce Partnerships, "Preparing our Workforce" 2002.

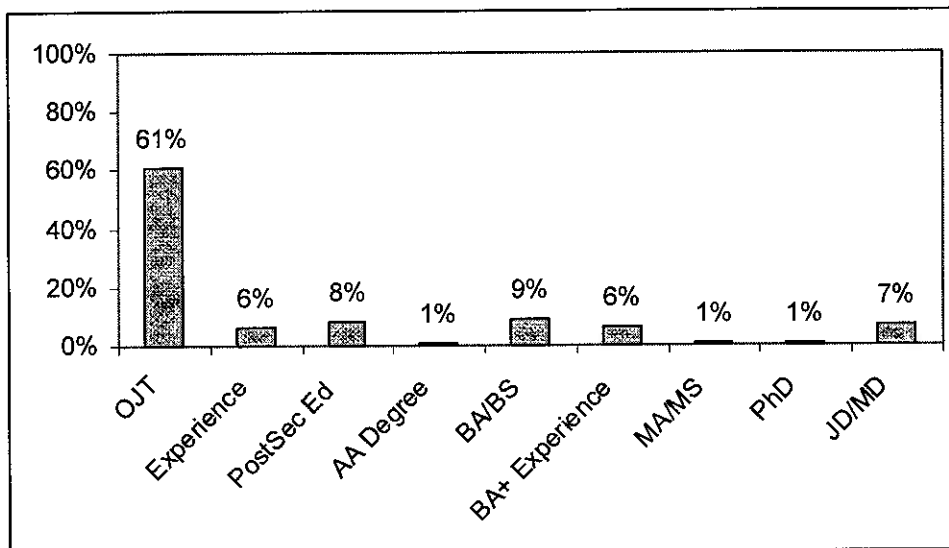
The shortage of jobs that require high levels of training and education is a concern that our economic development programs can address. One way is to focus on creating jobs

¹² "America's Biotech and Life Science Clusters San Diego's Position and Economic Contributions" by Ross DeVol, Perry Wong, Junghoon Ki, Armen Bedroussian and Rob Koepp. Milken Institute, 2004.

that demand higher skill and training levels. Another is creating jobs with well-defined career ladders that provide job training and other resources for workers. Downtown employment, however, has largely created occupations that do not require high levels of training or education and will few opportunities for advancement.

Figure XVI shows the portion of jobs at various training levels. Although the region has a highly educated workforce, the jobs created downtown typically do not require advanced education or training. The majority of jobs require only On the Job Training (OJT) (61%), 9% require a bachelors degree, and 8% require a graduate or professional degree. In sum, downtown’s jobs are significantly skewed towards those that require no specialized training, and only a small portion of jobs are highly skilled professional trades.

Figure XVI: Required Education and Training Levels by Occupations Downtown, 2004



Note: OJT= “On the Job Training”
 Experience= “Work experience”
 PostSec Ed= Postsecondary Education
 AA= Associate’s Degree
 BA/BS= Bachelor’s Degree
 BA+ Experience= Bachelor’s plus work experience
 MA/MS= Masters Degree
 PhD= Doctoral Degree
 JD/MD=Law or Medical Degree

The largest occupations downtown also tend to require limited training and/or education. As Table IV shows, after lawyers and legal secretaries, the next five largest occupations require only short-term on-the-job training. Indeed, 23 of the 30 largest occupations require only on-the-job training, and only three of the 30 largest occupations require a college degree.

Table IV: Largest Downtown Occupations and Training Levels

Jobs	Occupation	Wage	Training Level
2904.6	Lawyers	\$ 32.03	First professional degree
1834.5	Legal Secretaries	\$ 16.28	Postsecondary vocational award
1418.5	Waiters & Waitresses	\$ 7.13	Short-term on-the-job training
1403.5	Retail Salespersons	\$ 7.66	Short-term on-the-job training
1355.1	Maids & Housekeeping Cleaners	\$ 7.53	Short-term on-the-job training
1101.1	Comb Food Prep & Serving Workers	\$ 7.16	Short-term on-the-job training
967.8	Security Guards	\$ 7.69	Short-term on-the-job training
948.1	General & Operations Managers	\$ 24.33	Bachelor's plus experience
877.6	Office Clerks, General	\$ 8.26	Short-term on-the-job training
812.8	Executive Secretaries & Administrative Assist	\$ 13.08	Moderate-term on-the-job training
791.7	Customer Service Representatives	\$ 9.96	Moderate-term on-the-job training
771.1	Bookkeeping, Accounting, & Auditing Clerks	\$ 10.94	Moderate-term on-the-job training
719.1	Cashiers	\$ 7.34	Short-term on-the-job training
606.5	Maintenance & Repair Workers, General	\$ 9.41	Moderate-term on-the-job training
583.8	Receptionists & Information Clerks	\$ 7.94	Short-term on-the-job training
557.0	Cooks, Restaurant	\$ 7.81	Long-term on-the-job training
523.6	First-Line Sups/Mgrs of Office & Admin Support	\$ 13.61	Work experience in a related occupation
455.6	Hotel, Motel, & Resort Desk Clerks	\$ 8.34	Short-term on-the-job training
455.2	Parking Lot Attendants	\$ 7.25	Short-term on-the-job training
427.0	Dining Room & Cafeteria Attendants & Bartender	\$ 7.28	Short-term on-the-job training
405.8	Secretaries, Except Legal, Medical, & Executive	\$ 10.06	Moderate-term on-the-job training
387.3	Janitors & Cleaners	\$ 7.62	Short-term on-the-job training
361.3	Dishwashers	\$ 7.34	Short-term on-the-job training
341.3	First-Line Sups/Mgrs of Retail Sales Workers	\$ 11.05	Work experience in a related occupation
338.8	Financial Services Sales	\$ 16.01	Bachelor's degree
325.0	First-Line Sups/Mgrs Food Prep/Serving Workers	\$ 8.82	Work experience in a related occupation
321.5	File Clerks	\$ 7.92	Short-term on-the-job training
308.1	Landscaping & Grounds keeping Workers	\$ 7.67	Short-term on-the-job training
306.7	Bartenders	\$ 6.99	Short-term on-the-job training
305.7	Taxi Drivers & Chauffeurs	\$ 7.72	Short-term on-the-job training

Conclusion

Public investment in San Diego's Centre City Area has created thousands of new jobs. Yet as this study shows, nearly half of the jobs downtown are low-paying, do not require high levels of education or training, and have low rates of health care coverage. Rather than contribute to an economic development strategy that creates high-wage, high-skilled jobs with health care, the dramatic employment growth in the downtown area has contributed to the growing problem of low-wage employment in the city and the region. There are, however, several policy options available for turning the tide on the growth of poor quality jobs.

To protect taxpayers and workers from being shortchanged, the City Redevelopment Agency and Community Economic Development Department can take several important steps. Like hundreds of other municipalities that have developed specific job quality policies for publicly-supported economic development programs, the City of San Diego can take the following steps:¹³

- Adopt a comprehensive economic development strategy that ensures our investments create only good jobs with health insurance in the redevelopment project area.
- Develop a comprehensive health care strategy with the goal of insuring every worker in the downtown redevelopment project area.
- Create job-training programs that provide opportunities for career training and advancement for residents of the neighboring communities that will be heavily impacted by downtown development.

¹³ See CFED.ORG and Goodjobsfirst.org for examples of employment standards applied to publicly-

Appendix

Data Sources

This analysis focuses solely on private sector employment, including wages, health care coverage, and educational and training levels. Industry data are drawn from Dunn and Bradstreet Business Information Surveys. Staffing and wage data are drawn from the Bureau of Labor Statistics and Labor Market Information Division of the State of California's Employment Development Department. Health care data are drawn from the California Health Interview Survey, and training levels are provided by the Bureau of Labor Statistics.

Methods: Industry and Occupational Employment

Several parameters need to be estimated to determine the employment in the project area: (1) total number of industries, (2) types of industries according to SIC (Standard Industrial Classification) code, (3) total employment in each industry, (4) occupations employed in each industry (5) wages of the occupations employed in each industry, (6) training levels employed in each occupation, and (7) health care coverage by occupation. Because no single data source contains all of this information at such a specific geographic level, we relied on Dun and Bradstreet Business Information data for the census tracts in the Centre City Area (tracts 51-54, 56, and 58). Dun and Bradstreet data provide the employment by industry for the firms in the areas. These figures are then used in the standard algorithmic method of calculating occupational employment by industry based on staffing patterns developed by the Bureau of Labor Statistics and then and the staffing pattern surveys developed for industry used by the Occupational Employment Statistics Program (OES).

The total employment within a specific industry, wages, training levels, and based on the Federal Standard Industry Classification System, (SIC system) is estimated by the following model. First, industrial employment is derived from employment per SIC based on Dun and Bradstreet employer survey data for the project area by census tract. The number and types of occupations is then determined within that industry by applying the staffing patterns for the SIC (based on employer survey data compiled by the state of California Employment Development Department).

Wages

Wages, training levels and health care costs are calculated using existing data from various sources. Wages are derived from the California Employment Development Department ES202 survey for San Diego County. Median hourly wages were for the year 2002, the latest year for which data are available. Training levels are provided by the Bureau of Labor Statistics industry and occupational survey data program, (see BLS Occupational and Employment Statistics Office Survey Program).

Health care

Health care coverage by occupation is currently only available through four sources: the National Health Interview Survey (NHIS), The Kaiser Family Foundation Employer

Benefits Survey (KFFEBS), the Current Population Survey (CPS) March Supplement, and the UCLA California Health Interview Survey (CHIS). Unfortunately, none of these data sets have an adequate sample size to derive reliable estimates of health care coverage by occupation. The UCLA CHIS data does have large enough sample sizes, but only for occupational groups.

Training Levels

The Bureau of Labor Statistics provides a matrix of required training and education levels by each occupation in the Standard Occupational Classification System (SOC code). Each occupation was matched through the BLS matrix to its appropriate BLS training level. SOC/Training level matrices are available from the Bureau of Labor Statistics Occupational and Employment Statistics Division. Training levels range from short term on the job training to professional and graduate degrees. The levels indicate the minimum requirements for the occupation. The training levels are as follows:

- 1) First professional degree. Occupations that require at least two years of full-time academic study beyond a bachelor's degree (for example, law, medicine, dentistry and clergy).
- 2) Doctoral degree. Occupations that require at least three years of full-time academic study beyond a bachelor's degree culminating in a doctoral degree.
- 3) Master's degree. Occupations that require the completion of a master's degree program which is usually one to two years beyond a bachelor's degree.
- 4) Bachelor's or higher and some work experience. Occupations that generally require work experience in an occupation requiring a Bachelor's or higher degree. Most occupations in this category are managerial occupations that require work experience in a related non-managerial occupation.
- 5) Bachelor's degree. Occupations that require the completion of at least four but not more than five years of full-time academic study beyond high school, resulting in a Bachelor's degree.
- 6) Associate degree. Occupations that require the completion of at least two years of full-time academic study beyond high school.
- 7) Post-secondary vocational education. Occupations that require completion of vocational school training.
- 8) Work experience. Occupations that require skills obtained through work experience in a related occupation.
- 9) Long-term on-the-job-training. Occupations that require more than 12 months of on-the-job training or combined work experience and formal classroom instruction for workers to develop the skills needed for average job performance.

- 10) Moderate-term on-the-job-training. Occupations in which workers can develop average job performance after 1 to 12 months of combined on-the-job experience and informal training.
- 11) Short-term on-the-job-training. Occupations in which workers can develop skills needed after a short demonstration or up to one month of on-the-job experience and instruction.