

the north coast

the counties of del norte, humboldt, mendocino, siskiyou and trinity



TARGETS OF OPPORTUNITY

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EXECUTIVE SUMMARY

The North Coast's targets of opportunity are the region's most promising areas for economic and workforce development. They include specific industry sectors drawn from both the region's export-oriented base clusters and support sectors—focusing on the highest growth sectors in terms of jobs, wages, and firms since 1990. Each target of opportunity includes elements that are export-oriented, population-driven, and offer career potential for local residents.

Six targets of opportunity were identified, demonstrating a combination of:

- expanding opportunity (i.e., job and/or firm growth)
- growing quality (i.e., wage increases)
- improving competitiveness (i.e., strong and/or growing specialization compared to California as a whole)
- career potential (e.g., distribution of job opportunities across the occupational spectrum).

The six are (in order of size):

- Diversified Health Care
- Building and Systems Construction and Maintenance
- Specialty Agriculture, Food, and Beverages
- Investment Support Services
- Management and Innovation Services
- Niche Manufacturing

The six targets of opportunity are growing faster than the rest of the region's economy—particularly the private sector economy. Over the last decade and a half, they have proven to be long-term sources of structural economic growth, expanding even through short-term economic cycles.

- Together these sectors comprise 39% of the region's private sector employment (2004)—up from 30% in 1990. They also comprise 53% of the region's private sector wages.
- Together, they grew 37% in employment during this period, while jobs in the private sector economy as a whole expanded by only about 4%. Even including government, total regional employment only grew 8% between 1990 and 2004.
- The number of firms in these sectors combined jumped 23%, while the total firms in the entire regional economy increased only 1.5% between 1990 and 2003 (the year with the latest comprehensive data available).

All or most targets of opportunity share key characteristics:

- All six have grown in employment, all of them faster than the region's total job growth of 8%. The targets of opportunity have experienced growth rates ranging from 14% to 125% during the 1990-2004 period.
- All six have experienced growth in real wages (i.e., wages adjusted for inflation) over the 1990-2004 period, all of them faster than the region's total wage growth of 6%. The targets of opportunity have experienced growth rates ranging from 10% to 26% over this period. Five of them pay an average wage higher than the regional average.
- All six have increased or essentially maintained their employment concentration—a measure of their competitiveness—relative to the state average over this period.
- Five of the six have far outpaced the regional growth rate in establishments. The growth rate in number of firms in Management and Innovation Services (80%), Diversified Health Care (34%), Investment Support Services (22%), Niche Manufacturing (19%), and Specialty Agriculture, Food, and Beverages (11%) are all much greater rate than the regional economy as a whole (1.5%).
- Five of the six offer employment opportunities at the lower, mid, and higher levels of the occupational spectrum. All of them have people working in occupations that are projected to be among the top 50 fastest-growing jobs in the region in the coming decade.
- All of these targets of opportunity have not only a track record of growth, but prospects for future expansion, especially if they can find the skilled talent they need. Employers involved in focus groups in each area identified specific opportunities for future growth, which are described in this report.

Together, these targets of opportunity are important to every county in the region. While the larger counties of Humboldt and Mendocino naturally have much more of the employment, these sectors are also major contributors to the economies of Del Norte, Siskiyou, and Trinity. In fact, targets of opportunity are responsible for 53% of all the private sector wages paid in the five-county region. Both larger and smaller counties alike rely on targets of opportunity for a large proportion of their private sector wages, with shares ranging from 43% to 58%.

It is clear that all five counties have a stake in these targets of opportunity—and would likely benefit from working together to ensure the success of these industry sectors.

The North Coast targets of opportunity include about 70 high-performing industry sectors, selected from among hundreds of sectors across the five-county economy. These sectors have demonstrated over a 15-year period that they have staying power: they grew even after the ups and downs of several business cycles. They represent a sustained, structural shift in the North Coast economy: targets of opportunity have emerged as other areas of the economy have receded. Together, they now directly account for more than one-third of the private sector employment and one-half of the

private sector wages—and their impact is much greater as the employees and firms in these sectors buy other goods and services in the region.

For all these reasons, we recommend that the North Coast focus on targets of opportunity as their top economic and workforce development priorities. Specifically, this means:

- Prioritizing and aligning workforce and economic development resources, and other infrastructure investments, to these high-potential targets of opportunity.
- In terms of economic development, encouraging entrepreneurship and support innovation in each target of opportunity—focusing on business creation and expansion of existing firms in sectors with a track record of growth in the North Coast region.
- In terms of workforce development, preparing people for career progressions in each target of opportunity. In particular:
 - Preparing entry-level production and related workers while moving up promising employees into mid-level positions (e.g., Niche Manufacturing; Specialty Agriculture, Food, and Beverages; Building and Systems Construction and Maintenance)
 - Creating a comprehensive health care career initiative—recruiting residents for education and training that enables them to move into and through lower, mid, and higher level occupations in Diversified Health Care.
 - Building awareness in the region (e.g., among Humboldt State University students and recent graduates, highly-skilled but under-employed residents) of growing higher-level employment opportunities (e.g., Management and Innovation Services, Investment Support Services, and others).
 - Targeting occupations for recruitment, education, and training that are critical to multiple targets of opportunity and are expected to grow in the future (e.g., accountants, customer service representatives, computer support specialists, truck drivers).
- Encouraging and supporting collaboration within targets of opportunity to build on their economic success. For example:
 - Within Specialty Agriculture, Food, and Beverages, forging collaboration among businesses in marketing/branding, transportation, employment, purchasing, distribution, and other areas that could help all partners grow. An immediate opportunity: coordinating outflows among multiple producers and share loads to ensure full trucks leaving region.

- Within Diversified Health Care, forging collaboration among providers to create a new integrated model of delivery, which will improve care, increase access, expand economic vitality, and grow employment opportunities.
- Across all targets of opportunity, creating a partnership to market the economic potential and career opportunities to specific audiences—such as youth, working residents who are candidates for careers in these target areas, or talent living outside the region who may want to return or move to the region.

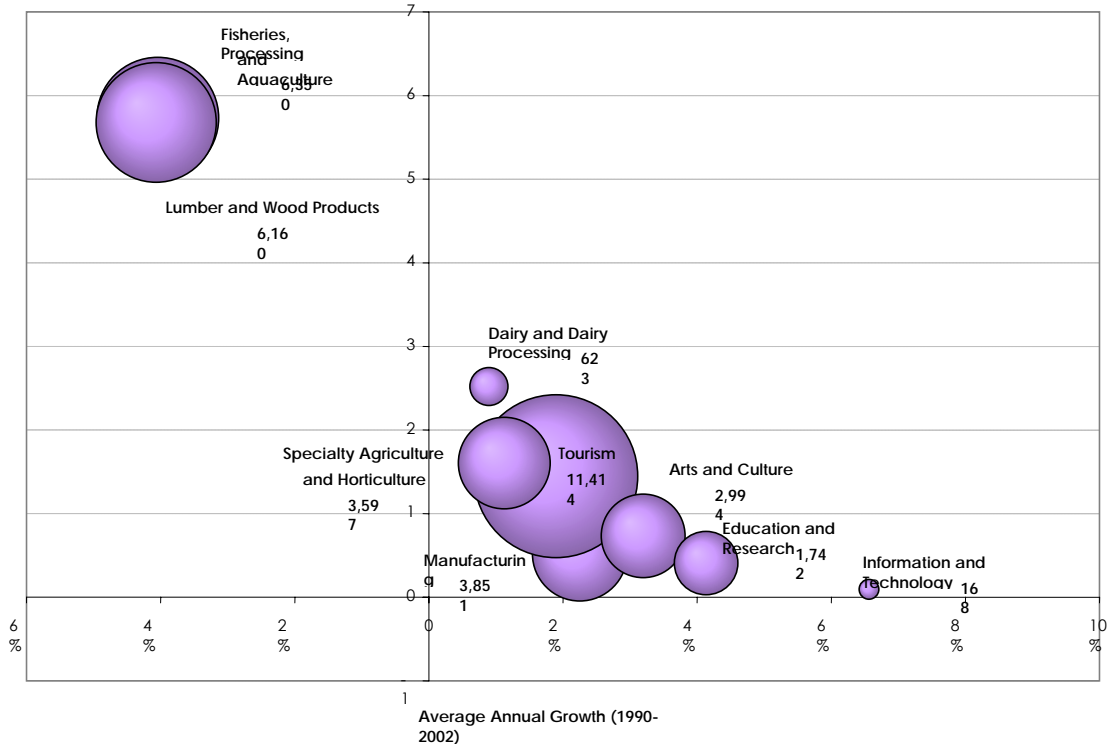
The next step is to create the Redwood Region Targets of Opportunity Project. The Project will build on this initial report, disseminating its results and focusing the region's public, private, and civic leaders on growing the targets of opportunity. In particular, it will engage employers directly in partnerships to meet their economic and workforce development needs, beginning with the recommendations outlined above. With concerted action, the region can ensure that its targets of opportunity are growing wellsprings of prosperity.

INDUSTRY CLUSTERS AND TARGETS OF OPPORTUNITY

For the North Coast and other regions, outward oriented industry clusters are important because they drive the vitality of support and local-serving industries—without competitive, outward-oriented industries, communities cannot enjoy sustained increases in standard of living.

In 2000, the following base clusters were identified as the key export drivers of the regional economy: Fisheries, Processing, and Aquaculture; Lumber and Wood Products; Dairy and Dairy Processing, Specialty Agriculture and Horticulture, Tourism, Arts and Culture, Manufacturing, Education and Research, and Information and

Technology (see chart below).



North Coast Base Clusters

Some of these base clusters have grown, while others have declined. Within most of these clusters, there are also specific industry sectors that have grown, while others that have declined. Some sectors pay wages well above and some well below the regional average.

Although base clusters provide a good perspective on export industries, they offer only a partial view of economic and employment opportunity in the North Coast region. Growing opportunities are found throughout the regional economy.

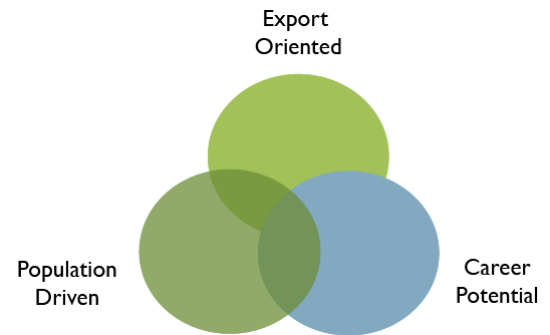
Targets of opportunity expand on the traditional concept of an industry cluster, which is defined as export-oriented, geographically-concentrated, and interdependent industries characterized by competing firms and buyer-supplier relationships, as well as shared labor pools and other specialized infrastructure:

- Targets of opportunity are drawn from parts of one or more industry clusters, focusing on those sectors experiencing growth in most if not all of the following: jobs, firms, wages, and competitiveness (i.e., employment concentration).
- Targets of opportunity focus not only on export-oriented sectors, but also population-driven sectors. They emphasize export-oriented and population-driven sectors that provide occupations with “career potential” (see figure below).

- Targets of opportunity also include a growing number of hybrid sectors—sectors that have elements of both export-oriented and population-driven dimensions. Health care, for example, has been traditionally seen as a support sector, serving the local population. However, in some regions, health care can also be a source of export wealth—as specialties draw patients from outside the region or telemedicine enlarges the patient pool. Similarly, construction can move beyond its local role, as specialized techniques and expertise serve outside markets.

TARGETS OF OPPORTUNITY CONNECT WORKFORCE AND ECONOMIC DEVELOPMENT GOALS

Successfully promoting regional economic prosperity means that workforce development and economic development organizations must work closely together. Workforce investment boards, for example, have mandates to help residents train for and find jobs when they are unemployed, and have moved beyond that role to develop programs focused on career paths and upward mobility. But, they are also playing a growing role in economic development as a skilled workforce is one of the main determinants of economic success. Economic development organizations have become more focused on workforce development for the same reason.



Workforce development is naturally most focused on preparing people for jobs that exist today, while economic development is often about nurturing not only the industries of today, but those of tomorrow as well. Thus, the sectors or clusters championed for long-term economic development purposes may be providing few jobs today, and even fewer opportunities with career potential, simply because it is not yet at the necessary size and maturity in a given region. Targets of opportunity enable the North Coast to bridge this natural gap between these goals by including some sectors and occupations with requiring immediate workforce development, and some sectors and occupations that are emerging and may be more important in the future (see figure below).



Thus, targets of opportunity help provide the focus for meeting the twin challenges of economic growth and workforce investment. A target of opportunity can be export-

oriented, population-driven, or represent an opportunity with career potential for local residents – or, it can combine several elements that meet economic growth and workforce investment goals.

HOW WERE THE NORTH COAST'S TARGETS OF OPPORTUNITY IDENTIFIED?

The North Coast targets of opportunity were identified using employment data from the California Employment Development Department (Labor Market Information Division), combined with information about firms from a proprietary database (the National Establishments Time Series or NETS database). This database includes both firms with employees, and firms with no employees—entrepreneurs who are working on their own or with partners. These kinds of firms have long been undercounted, and are particularly important in more rural economies.

To identify the targets of opportunity, the Humboldt County Workforce Investment Board assembled a team of public, private, and civic leaders, who received coaching from Collaborative Economics using training materials from the California Regional Economies Project. The team examined employment and firm data covering the entire North Coast economy. They applied a set of criteria to this information, and created groupings from related sectors that met the criteria (see table below). Working with Collaborative Economics, the team revised its initial groupings into six targets of opportunity, and held focus groups with employers in each target area to identify key reasons for their industries' growth, future opportunities for growth, and key workforce requirements to enable future growth.

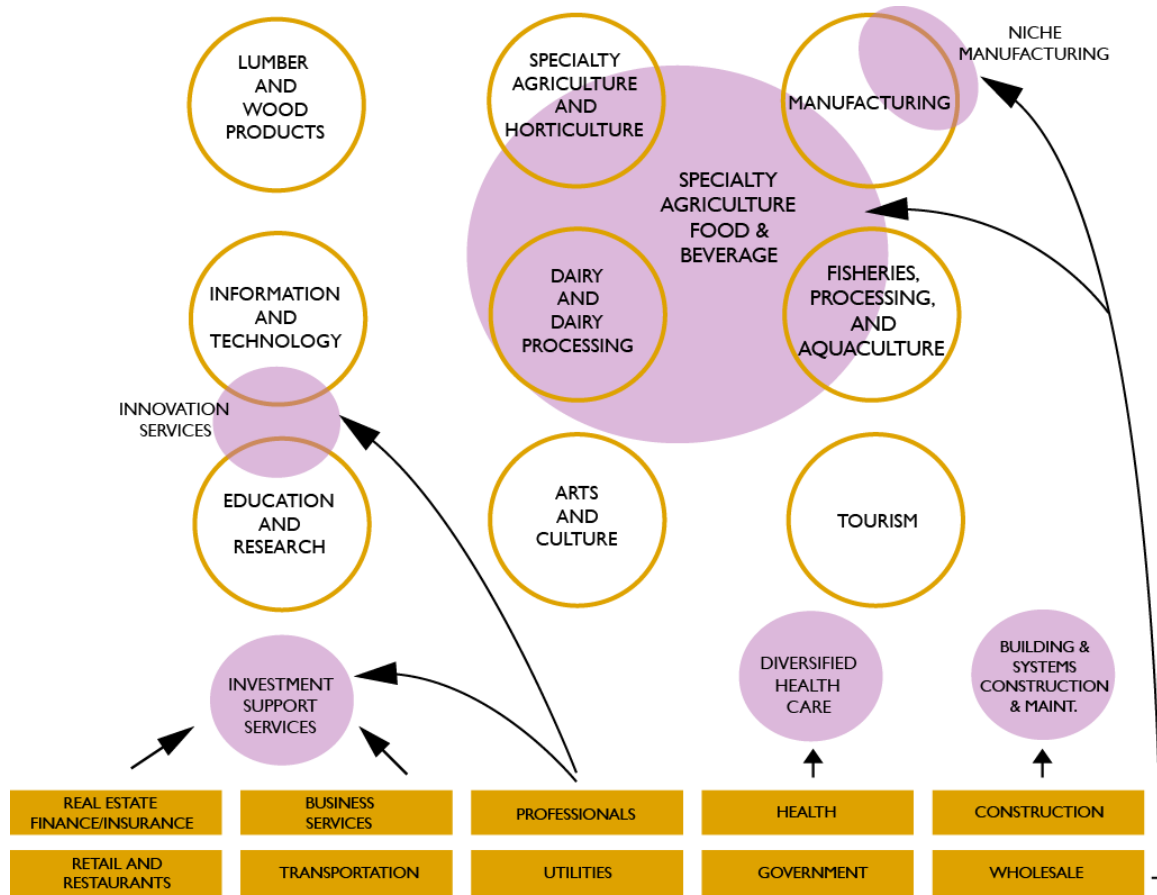
CRITERIA	INTERPRETATION
Expanding Opportunity	<p>Job Growth</p> <p>Shows how various industries have weathered market forces and their subsequent employment generation</p> <p>Firm Growth</p> <p>Growth in firms can indicate a change in organizational of an industry, a surge in local entrepreneurship, or attraction of outside investment to the region</p>
Growing Quality	<p>Job Quality</p> <p>High average payroll per employee relative to the regional average indicates a sector with relatively high productivity per employee. Additionally, pay is a reflection of job quality and indicates the amount of training and skill required to perform the job.</p>
Improving Competitiveness	<p>Strong and/or Growing Regional Specialization</p> <p>A concentration of greater than 1 indicates that employment in the region is more specialized in the industry compared with U.S or California. Specialization generally reflects competitiveness and outward orientation.</p>
Career Potential	<p>Occupational Distribution and Dynamics</p> <p>Occupational opportunities spread across higher, mid and lower-levels, suggesting possible pathways for upward mobility. Occupations that are highly-concentrated and/or fast-growing are of particular interest.</p>
Key Linkages	<p>Important Relationships and Common Needs</p> <p>Related to other sectors in important buyer-supplier or complementary partnering relationships. Share a common workforce, market or others.</p>

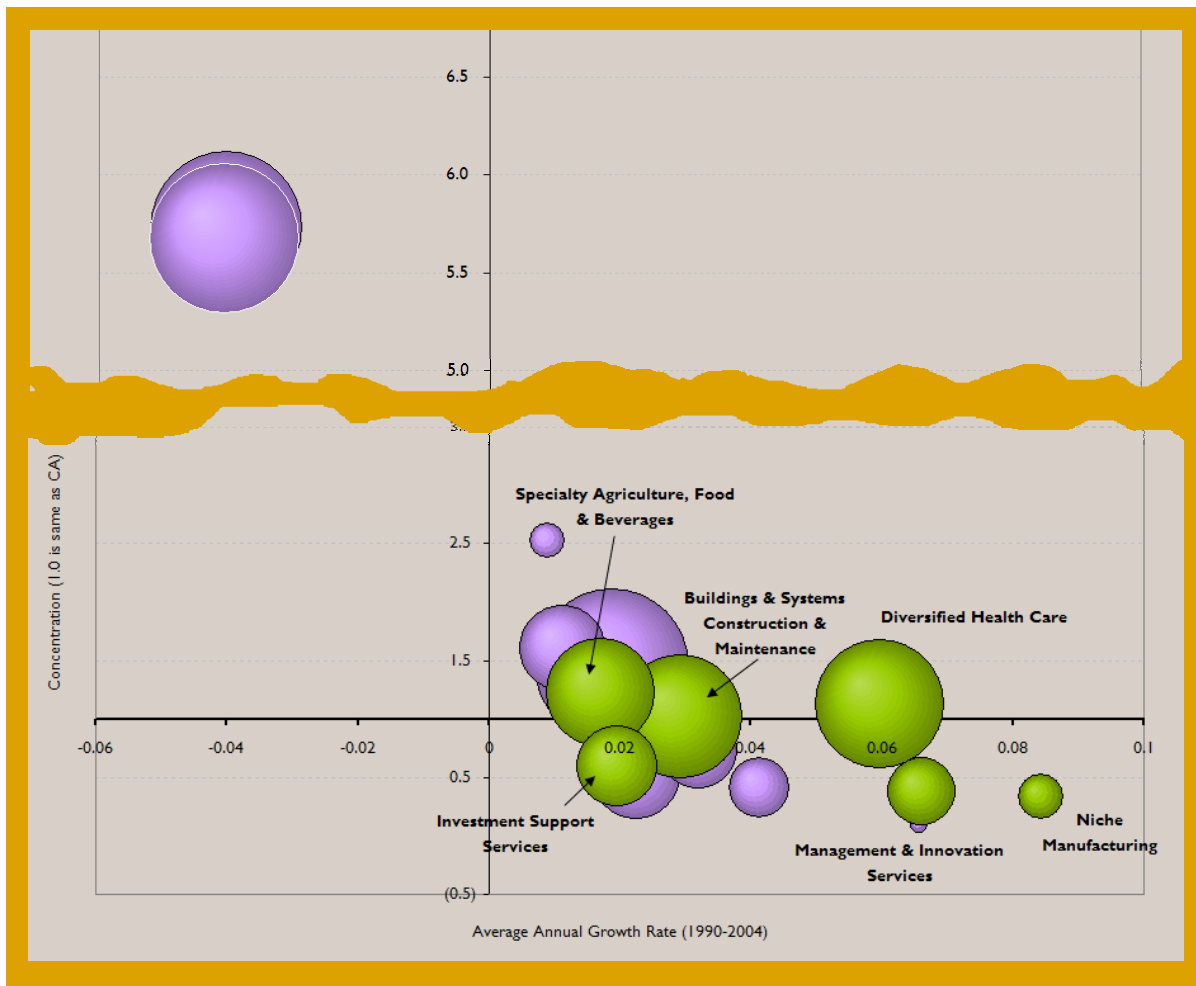
WHAT ARE THE NORTH COAST'S TARGETS OF OPPORTUNITY?

Six targets of opportunity were identified. They are, in order of size:

- Diversified Health Care
- Specialty Agriculture, Food, and Beverages
- Building and Systems Construction and Maintenance
- Investment Support Services
- Management and Innovation Services
- Niche Manufacturing

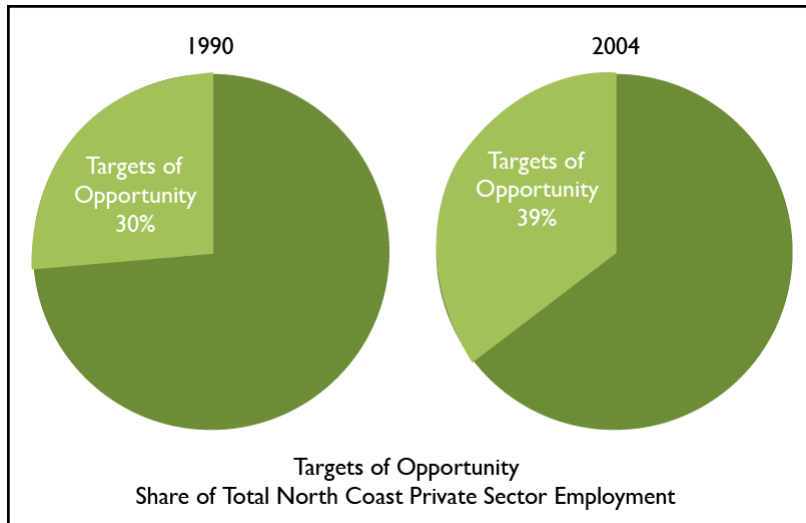
The chart below shows how these targets of opportunity draw from the region's base industry clusters, as well as support sectors that were identified in 2000.





The six targets of opportunity are growing faster than the rest of the region's economy. Most are growing faster than most of the base clusters, as the chart above illustrates. Over the last decade and a half, they have proven to be long-term sources of structural economic growth, expanding even through short-term economic cycles.

- Together these sectors comprise 39% of the region's private sector employment (2004)—up from 30% in 1990. They also comprise 53% of the region's private sector wages.
- Together, they grew 37% in employment during this period, while the private sector economy as a whole expanded by only about 4%. Even including government, total regional employment only grew 8% between 1990 and 2004.
- The number of firms in these sectors combined jumped 23%, while the total firms in the entire regional economy increased only 1.5% between 1990 and 2003 (the year with the latest comprehensive data available).



All or most targets of opportunity share key characteristics:

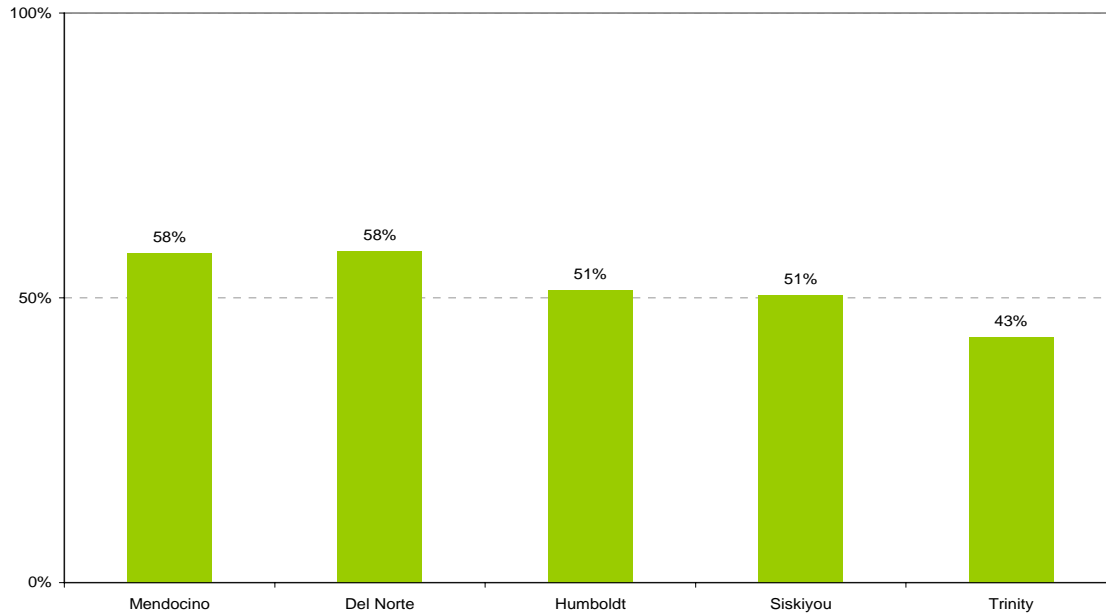
- All six have grown in employment, all of them faster than the region's total job growth of 8%. The targets of opportunity have experienced growth rates ranging from 14% to 125% during the 1990-2004 period.
- All six have experienced growth in real wages (i.e., wages adjusted for inflation) over the 1990-2004 period, all of them faster than the region's total wage growth of 6%. The targets of opportunity have experienced growth rates ranging from 10% to 26% over this period. Five of them pay an average wage higher than the regional average.



Real W ages 1990-2004
By Sector

- All six have increased or essentially maintained their employment concentration—a measure of their competitiveness—relative to the state average over this period.
- Five of the six have far outpaced the regional growth rate in establishments. The growth rate in number of firms in Management and Innovation Services (80%), Diversified Health Care (34%), Investment Support Services (22%), Niche Manufacturing (19%), and Specialty Agriculture, Food, and Beverages (11%) are all much greater rate than the regional economy as a whole (1.5%).
- Five of the six offer employment opportunities at the lower, mid, and higher levels of the occupational spectrum. All of them have people working in occupations that are projected to be among the top 50 fastest-growing jobs in the region in the coming decade.
- All of these targets of opportunity have not only a track record of growth, but prospects for future expansion, especially if they can find the skilled talent they need. Employers involved in focus groups in each area identified specific opportunities for future growth, which are described in this report.

Together, these targets of opportunity are important to every county in the region. While the larger counties of Humboldt and Mendocino naturally have much more of the employment, these sectors are also major contributors to the economies of Del Norte, Siskiyou, and Trinity. In fact, targets of opportunity are responsible for 53% of all the private sector wages paid in the five-county region. Both larger and smaller counties alike rely on targets of opportunity for a large proportion of their private sector wages, as the chart below shows.



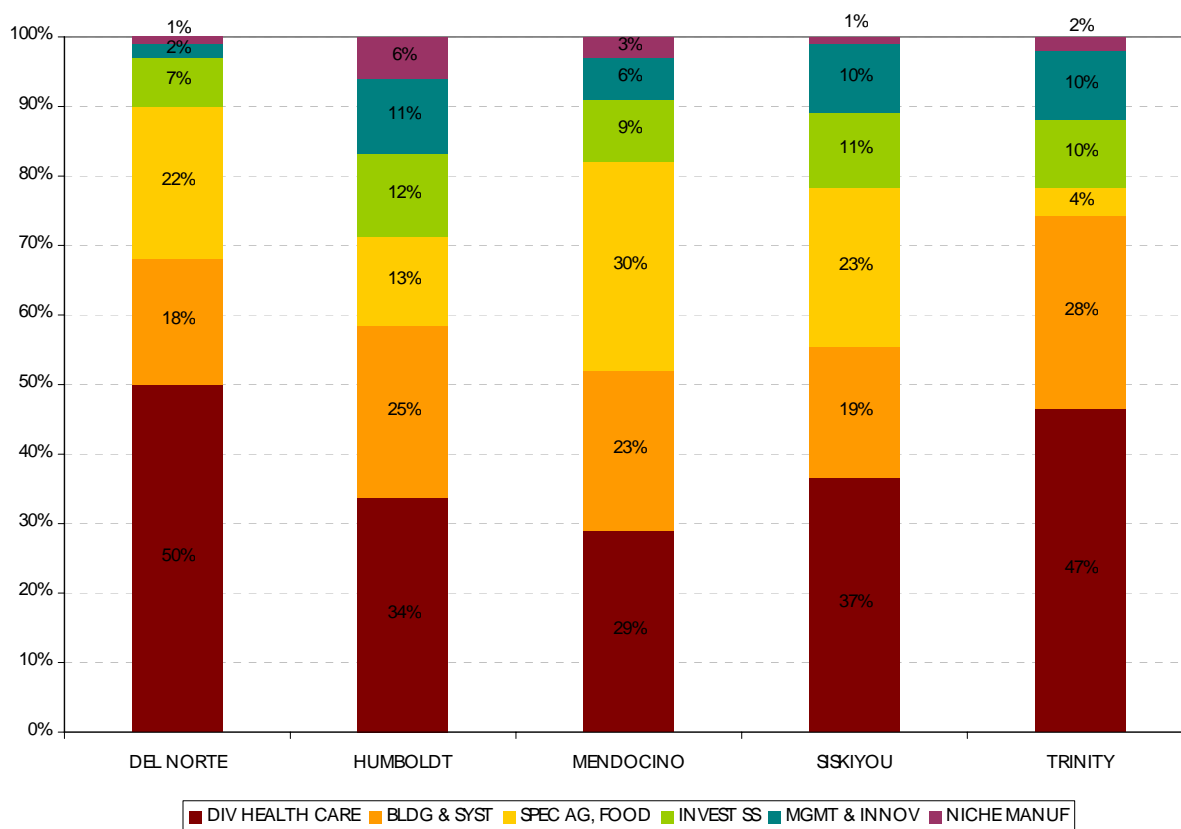
**Targets of Opportunity
Share of Total Private Sector Wages by County**

Each county has a different mix of jobs across the targets of opportunity. Some counties have larger proportion of jobs in some targets of opportunity than the regional average. In fact, as the charts below show, every county exceeds the regional average in at least two or more targets of opportunity. For example:

- In Del Norte, Humboldt, Siskiyou, and Trinity counties, the percentage of targets of opportunity employment in Diversified Health Care is at or above the regional average.
- In Humboldt, Mendocino, and Trinity, the percentage of targets of opportunity employment in Building and Systems Construction and Maintenance is at or above the regional average.
- In Del Norte, Mendocino, and Siskiyou, the percentage of targets of opportunity employment in Specialty Agriculture, Food, and Beverage is above the regional average.
- In Humboldt and Siskiyou, the percentage of targets of opportunity employment in Investment Support Services is at or above the regional average, with Trinity close to the regional average.
- In Humboldt, Siskiyou, and Trinity, the percentage of targets of opportunity employment in Management and Innovation Services is above the regional average, with Mendocino close to the regional average.

- For Humboldt, the percentage of targets of opportunity employment in Niche Manufacturing is above the regional average, with Mendocino close to the regional average.

In terms of wages and employment, it is clear that all five counties have a stake in these targets of opportunity—and would likely benefit from working together to ensure the success of these industry sectors.



PROPORTION OF TARGETS OF OPPORTUNITY EMPLOYMENT BY NORTH COAST COUNTY

	DIV HEALTH CARE	BLDG & SYST	SPEC AG, FOOD	INVEST SS	MGMT & INNOV	NICHE MANUF
NORTH COAST REGION	34%	23%	21%	11%	8%	4%
DEL NORTE	50%	18%	22%	7%	2%	1%
HUMBOLDT	34%	25%	13%	12%	11%	6%
MENDOCINO	29%	23%	30%	9%	6%	3%
SSKIYOU	37%	19%	23%	11%	10%	1%
TRINITY	47%	28%	4%	10%	10%	2%

Note: Not all rows total 100% due to rounding.

In the sections that follow, we profile each target of opportunity. We identify the specific industry sectors that comprise each target area, and focus on how they have changed from 1990-2004 in terms of jobs, wages, and firms. We examine the occupational patterns and career potential of each target of opportunity. We also report the results of focus groups in each target area, in which employers identified key reasons their sectors have prospered in the North Coast region—and why they are likely

to experience future growth. Moreover, employers identified the kind of workers they will need in order to grow.

DIVERSIFIED HEALTH CARE

	1990	2004	% Change	Regional Comparison
Employment	7119	10286	45%	8%
Firms	909	1383	34%	1.5%
Wages	\$ 26,874	\$ 33,863	26%	6%
Concentration	1.46	1.42	-3%	N/A

Note: Firms are for the 1990-2003 period.

Diversified Health Care includes a wide range of health care options and support sectors. While traditional hospital-centered and physician office-based health care sectors have grown, they have been supplemented by an expanding diversity of options, such as outpatient care centers and home and residential health care services.

Diversified Health Care is the largest of the targets of opportunity, in 2004 employing 10,286 in the five county region. It has added jobs at more than five times the rate (45%) as the region as a whole (8%) over the 1990-2004 period. It pays an average wage that is 20% higher than the regional average of \$28,142. Real wages also grew at a much faster rate (26%) than the regional average of 6%. Moreover, the number of firms in Diversified Health Care increased by 34% between 1990 and 2003, far beyond the region's growth rate of 1.5%.

Overall, Diversified Health Care is almost one and a half times more concentrated in the North Coast region than in California as a whole. The region has essentially maintained this advantage during the 1990-2004 period. Although Diversified Health Care as a whole experienced little change in concentration compared to the California average in the last decade and a half, some sectors rose substantially. A diverse mix of sectors such as outpatient care centers, other ambulatory care services, home and residential health care, and community care centers for the elderly all grew faster than their counterparts in the rest of California.

A closer look at the sectors comprising Diversified Health Care (see chart below) reveals that:

- The biggest employers remain established health care providers: general medical and surgical hospitals as well as offices of physicians. These sectors pay average wages much higher than regional average of \$28,142. Dental offices are also a large, growing sector—with average wages that were below the regional average in 1990, but higher than the regional average in 2004.
- Outpatient care centers are a rapidly growing health care alternative, with growing real wages that are much higher than the regional average, and with a rising regional concentration that is now twice that of the California average.

- Other sizable, growing sectors include a diverse mix of health care options, including home health care services; offices of other health practitioners (other than physicians and dentists); residential mental retardation, mental health, and substance abuse facilities; individual and family services; community care facilities for the elderly; other residential care facilities; and other ambulatory health care services. Unlike outpatient care centers, these sectors pay less than the regional average wage. However, the average wages in these sectors have grown faster than the regional average wage between 1990 and 2004.

INDUSTRY CODE (NAICS Code)	INDUSTRY SECTOR (NAICSTitle)	Regional Employment		Regional Average Annual Wage		Average Annual Growth Rate	Total Establishments			Regional Employment Concentration (relative to CA)	
		1990	2004	1990	2004		1990	2003	%Change	1990	2004
6221	General Medical and Surgical Hospitals	2816	3256	\$28,112	\$44,693	1.0%	17	17	0.0%	1.67	1.39
6211	Offices of Physicians	1490	2082	\$38,430	\$40,257	2.4%	292	360	18.9%	1.33	1.48
6241	Individual and Family Services	595	889	\$14,488	\$21,921	2.9%	153	360	57.5%	2.29	1.76
6212	Offices of Dentists	620	731	\$24,770	\$32,756	1.2%	141	139	-1.4%	1.39	1.03
6233	Community Care Facilities for the Elderly	142	682	\$10,387	\$14,468	11.9%	15	8	-87.5%	0.73	1.99
6214	Outpatient Care Centers	293	599	\$28,144	\$36,940	5.2%	20	29	31.0%	1.83	2.01
6232	Residential Mental Retardation, Mental Health and Substance Abuse Facilities	436	521	\$14,323	\$18,318	1.3%	3	6	50.0%	2.23	1.54
6213	Offices of Other Health Practitioners	415	505	\$20,243	\$23,213	1.4%	173	341	49.3%	1.64	1.35
6219	Other Ambulatory Health Care Services	170	331	\$19,873	\$23,032	4.3%	18	22	18.2%	2.22	2.59
6216	Home Health Care Services	87	322	\$19,855	\$20,868	9.8%	8	23	65.2%	0.82	1.11
6239	Other Residential Care Facilities	-	308	-	\$19,908	-	32	49	34.7%	-	2.39
3391	Medical Equipment and Supplies Manufacturing	55	60	\$26,272	\$30,193	0.6%	37	29	-27.6%	0.20	0.19

A focus group of employers in Diversified Health Care identified the following major reasons why this target of opportunity has grown in the North Coast region:

- Population growth, and the aging of the region's population in particular has created new demand for health care in general.
- There has been limited migration to seek health care outside the region because of the long distances, creating more health care "business" locally.
- A long-term restructuring towards more health care alternatives beyond hospital care has increased the overall number of jobs in these sectors.

- Increases in specialties and specialty health care has spurred employment growth.
- Greater levels of federal and state supported health care in the North Coast region has created additional jobs.
- Reimbursement and regulatory complexities has required more personnel to manage administrative flows.

Employers also described the best opportunities for future growth in Diversified Health Care:

- A reorganization of small medical groups in to a larger, linked network will help strengthen existing individual practices, help recruit new practitioners/specialists, and expand the base of those served (including the currently uninsured and underinsured).
- A transformation of telemedicine into a source of exportable health services from the North Coast region to other communities—not just the other way around—will spur growth.
- The development of niche centers of excellence in certain specialties, will serve the region and act as a magnet to attract new residents and visitors seeking treatment.
- The development of a reputation for accessible, affordable, and high-quality care will attract new residents and visitors seeking treatment.
- A growing Baby Boomer retiree population that has both traditional health care needs, and new kinds of “lifestyle” demands (e.g., sports medicine, cosmetic surgery) will grow this target of opportunity.

To capitalize on these opportunities, employers in Diversified Health Care identified their biggest workforce requirements:

- Higher-level professionals like physicians and practice managers
- Mid-level practitioners such as physician assistants, nurses, dental hygienists, pharmacy technicians, and health educators
- Lower-level staff such as medical assistants—but “empowered” for an expanded job.

The current occupational pattern in Diversified Health Care includes large and growing occupations at the high, mid, and lower levels, suggesting strong career potential. In the chart below, the percentage distribution is based on wage level and is relative to that of the entire regional economy (i.e., if it mirrored the regional economy exactly, there would be 33.3% of the jobs at each level). There are a fairly balanced number of jobs at each level, with many of the occupations among the fastest growing in the entire regional economy. The occupations include not only those traditionally

associated with the delivery of health care (e.g., nurses), but also jobs that support the administrative and related functions of the health care system (e.g., customer service representatives).

- One-third of the workforce holds higher-level jobs. They include six of the top 20 largest occupational groups in Diversified Health Care. In addition, three jobs are projected to be among the 50 fastest growing occupations in the region over the next several years: in order of size, registered nurses, radiologic technicians, and respiratory therapists. Respiratory therapists are also more concentrated in the region than the California average.
- Thirty-nine percent of the Diversified Health Care workforce is in mid-level jobs. They also include six of the top 20 largest occupations groups in Diversified Health Care. In addition, eight jobs are projected to be among the 50 fastest growing occupations in the region over the next several years: in order of size, dental assistants licensed practical/vocational nurses, executive secretaries, medical assistants, medical secretaries, bookkeeping/accounting, pharmacy technicians, customer service representatives, and medical records/health information technicians. Several of these occupations are also more highly concentrated than the California average.
- Twenty-eight percent of the Diversified Health Care workforce is in lower-level jobs. They include eight of the top 20 largest occupational groups in Diversified Health Care. In addition, ten jobs are projected to be among the 50 fastest growing occupations in the region over the next several years: nursing aides, office clerks, receptionists, home health aides, personal and home care aides, billing and posting clerks, maids/housekeeping, secretaries, emergency medical technicians, and social/human service assistants.

DIVERSIFIED HEALTH CARE

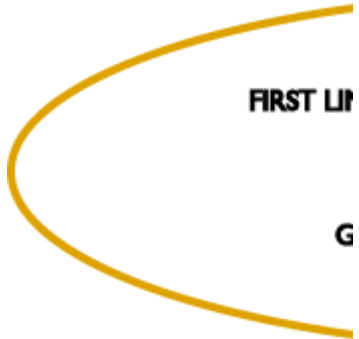


CHART KEY:

1. **BOLD** = ONE OF THE 20 LARGEST OCCUPATIONAL GROUPS IN DIVERSIFIED HEALTH CARE
2. *ITALICS* = PROJECTED TO BE ONE OF THE 50 FASTEST GROWING OCCUPATIONAL GROUPS IN THE NORTH COAST ECONOMY
3. **GREEN** = AN OCCUPATIONAL GROUP MORE CONCENTRATED IN THE NORTH COAST REGION THAN CALIFORNIA AS A WHOLE

33%
39%

28%

28%

BUILDING AND SYSTEM CONSTRUCTION AND MAINTENANCE

	1990	2004	%Change	Regional Comparison
Employment	6122	7495	22%	8%
Firms	1883	1807	-4%	1.5%
Wages	\$ 27,199	\$ 31,061	14%	6%
Concentration	1.08	0.97	-10%	N/A

Note: Firms are for the 1990-2003 period.

Building and System Construction and Maintenance includes a number of sectors that focus on the physical infrastructure of communities. As the North Coast region has grown, so too have needs for housing, commercial structures, and community systems, such as roadways and utilities. Needs have also grown for a variety of services to buildings and dwellings, such as janitorial, landscaping, and other maintenance services.

Building and System Construction and Maintenance is the second largest of the targets of opportunity, employing 4,365 across the five county region. It has added jobs at almost three times the rate (22%) as the region as a whole (8%) over the 1990-2004 period. It pays an average wage that is about 10% higher than the regional average of \$28,142. Real wages also grew at a much faster rate (14%) than the regional average of 6%. Only the number of firms increased by less than the regional average of 1.5% between 1990 and 2003.

Some individual industries have restructured, adding jobs in fewer firms (e.g., utility system construction, highway/street/bridge construction, building equipment contractors, building materials and supplies dealers). At the same time, other industries that are part of this target of opportunity added firms (e.g., building finishing contractors, services to buildings and dwellings). Building and System Construction and Maintenance is concentrated at about the California average, and has remained so over the last decade and a half.

A closer look at the sectors comprising Building and System Construction and Maintenance (see chart below) reveals that:

- The biggest employer is residential construction, which did not grow in job quantity during the 1990-2004 period, but did experience substantial wage growth, moving from a position below the regional average to one above the regional average during this period.
- In fact, two related sectors moved from below to above the regional average wage during the 1990-2004 period. In addition to residential construction, building finishing, and other specialty trade contractors made this jump. While

residential construction did not add jobs, employment grew in these other sectors, which often serve as sub-contractors to the general contractor.

- Systems construction, such as utilities, highway, street, and bridges, have been among the most rapidly growing in terms of jobs, with growing real wages that are much higher than the regional average, and with a regional concentration in the case of highway, street, and bridge construction more than twice that of the California average.
- Maintenance has been a growing dimension as well—especially in terms of services to buildings and dwellings, which added over 50% more jobs during the 1990-2004 period. Not only has this sector grown, it has rapidly increased its wages—moving, like many other sectors in Building and Systems Construction and Maintenance, from below to near or above the regional average wage.

INDUSTRY CODE (NAICS Code)	INDUSTRY SECTOR (NAICSTitle)	Regional Employment		Regional Average Annual Wage		Average Annual Growth Rate	Total Establishments			Regional Employment Concentration (relative to CA)	
		1990	2004	1990	2004	1990-2004	1990	2003	% Change	1990	2004
2361	Residential Building Construction	1587	1543	\$ 19,549	\$ 29,218	-0.2%	484	473	-2.3%	2.40	1.79
4441	Building Material and Supplies Dealers	1243	1371	\$ 29,669	\$ 25,501	0.70%	219	166	-31.9%	2.20	1.78
5617	Services to Buildings and Dwellings	614	945	\$ 17,693	\$ 28,230	3.1%	184	241	23.7%	0.69	0.73
2382	Building Equipment Contractors	672	856	\$ 33,939	\$ 38,150	1.7%	284	246	-15.4%	0.78	0.71
2383	Building Finishing Contractors	452	615	\$ 24,894	\$ 28,143	2.2%	173	201	13.9%	0.58	0.54
2373	Highway, Street, and Bridge Construction	381	460	\$ 47,396	\$ 51,110	1.4%	81	60	-35.0%	2.29	2.54
2381	Foundation, Structure, and Building Exterior Contractors	233	451	\$ 19,129	\$ 27,945	4.8%	113	112	-0.9%	0.42	0.47
4442	Lawn and Garden Equipment and Supplies Stores	157	314	\$ 20,831	\$ 23,666	5.1%	64	60	-6.7%	1.40	3.67
2389	Other Specialty Trade Contractors	179	308	\$ 22,565	\$ 28,609	4.0%	157	155	-1.3%	0.54	0.70
2362	Nonresidential Building Construction	382	288	\$ 43,589	\$ 37,482	-2.0%	82	62	-32.3%	0.97	0.67
5622	Waste Treatment and Disposal	132	196	\$ 29,547	\$ 33,947	-	2	3	33.3%	1.40	2.32
2371	Utility System Construction	90	148	\$ 36,757	\$ 42,612	3.6%	40	28	-42.9%	0.46	0.68

A focus group of employers in Building and Systems Construction and Maintenance identified the following major reasons why this target of opportunity has grown in the North Coast region:

- The need to replace, repair, or upgrade aging infrastructure and housing stock has spurred growth in this area.
- Growing public investment in infrastructure improvements and changes in government regulations, such as seismic upgrades for public facilities, have also been a catalyst for growth.
- Private investment has grown to meet the demand for new office and retail space, and casinos

- Population growth from natural increases, an influx of retirees (including retired “empty nesters”) and affluent residents from other regions who are attracted to the quality of life of the North Coast and want to build or upgrade homes (or 2nd homes) has fueled growth.
- Increases in property values and low interest rates have increased the ability of homeowners to upgrade their dwellings.
- Increased interest in design among homeowners has spurred increase in home remodels

Employers also described the best opportunities for future growth in Building and Systems Construction and Maintenance:

- Continued population growth from natural increases and in-migration will stimulate the need for more building and community systems
- New kinds of green building construction, more energy efficient buildings, renewable energy systems (e.g., solar, wind), overall growth in both residential and commercial renewable energy applications, growing use of high value added forestry products from the region—all will be catalysts for employment growth.
- Growing demand for higher-quality retail and tourism facilities
- Economic growth in the form of more businesses needing construction and maintenance, and more focus on exports and port facilities for shipping
- Need for more and different kinds of housing to meet changing demographics (e.g., elder housing, growing number of workers who can afford a home)
- New kinds of community growth (e.g., “smart growth”) will create new demands for infrastructure and buildings tailored to in-fill opportunities
- Growing needs for infrastructure and increasing availability of infrastructure financing
- Increasing public desire for custom work as well as growth in consulting opportunities to help do-it-yourselfers and other contractors
- Need for emergency readiness in facilities and systems will stimulate improvements
- The construction industry will increasingly sell its specialized services outside the region as well

To capitalize on these opportunities, employers in Building and Systems Construction and Maintenance identified the following biggest workforce requirements:

- At the highest levels, needs for well-prepared civil engineers, geologists, and scientists—those able to innovate and invent
- Management and design professionals—superintendents, project managers, construction managers, design/drafting, lighting designers
- Skilled construction trades of all kinds, including carpenters, masons, cabinet makers, well-trained lead workers with math and layout skills
- New kinds of skilled workers such as solar technicians, alternative energy installers/designers
- Need bright entry-level workers, with a core understanding of building science and basic business, drug-free, and able to work up the ladder with continuous training

The current occupational pattern in Building and Systems Construction and Maintenance is concentrated at the mid-level (49% of all jobs), with many of the largest job categories at this level also projected to be among the fastest growing occupations in the regional economy. In the chart below, the percentage distribution is based on wage level and is relative to that of the entire regional economy (i.e., if it mirrored the regional economy exactly, there would be 33.3% of the jobs at each level). The growing occupations include not only some traditional construction jobs (e.g., cement masons and concrete finishers, sheet metal workers), but also administrative and other support functions (e.g., sales managers and representatives, truck drivers).

- Thirty-one percent of the workforce holds higher-level jobs. They include six of the top 20 largest occupational groups in Building and Systems Construction and Maintenance. In addition, one job category (accountants and auditors) is projected to be among the 50 fastest growing occupations in the region over the next several years. Carpenters and operating engineers are also more concentrated in the region than the California average.
- Forty-nine percent of the workforce is in mid-level jobs. They also include six of the top 20 largest occupational groups in this target of opportunity area. In addition, six jobs are projected to be among the 50 fastest growing occupations in the region over the next several years: in order of size, cement masons and concrete finishers, sheet metal workers, first-line managers of sales workers, truck drivers (heavy and tractors), carpet installers, and sales representatives (wholesale). Four occupations are also more highly concentrated than the California average.
- Twenty percent of the workforce is in lower-level jobs. They include eight of the top 20 largest occupational groups in this target of opportunity area. However, none of the job categories at this level are projected to be among the 50 fastest

growing occupations in the region over the next several years. The expected growth is not at the entry or lower levels, but rather at the mid-level, suggesting an opportunity to move workers to the mid-level, while back-filling jobs at this lower-level.

BUILDING AND SYSTEMS CONSTRUCTION AND MAINTENANCE

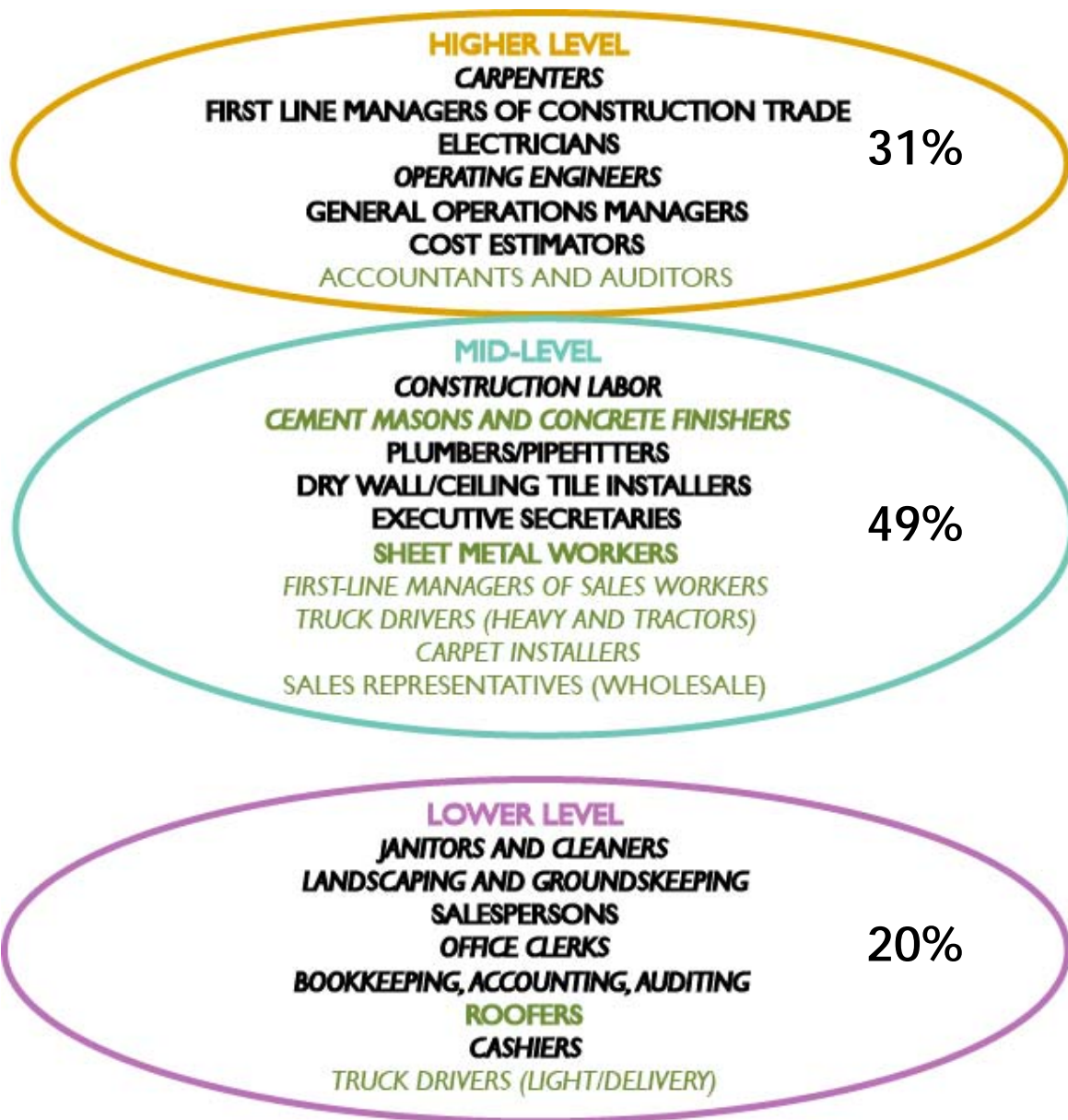


CHART KEY:

1. **BOLD** = ONE OF THE 20 LARGEST OCCUPATIONAL GROUPS IN BUILDING AND SYSTEMS CONSTRUCTION AND MAINTENANCE
2. **ITALICS** = PROJECTED TO BE ONE OF THE 50 FASTEST GROWING OCCUPATIONAL GROUPS IN THE NORTH COAST ECONOMY
3. **GREEN** = AN OCCUPATIONAL GROUP MORE CONCENTRATED IN THE NORTH COAST REGION THAN CALIFORNIA AS A WHOLE

SPECIALITY AGRICULTURE, FOOD, AND BEVERAGES

	1990	2004	%Change	Regional Comparison
Employment	4185	5547	33%	8%
Firms	505	564	11%	1.5%
Wages	\$ 19,846	\$ 24,804	25%	6%
Concentration	1.53	1.51	-1%	N/A

Note: Firms are for the 1990-2003 period.

Specialty Agriculture, Food, and Beverages is driven by sectors focusing on distinctive North Coast products, rather than bulk commodities that could be grown or produced in many other regions. These products include specialty cheeses (dairy manufacturing), wine and beer (beverage manufacturing), and flowers (greenhouse, nursery, and floriculture production). There are also important front-end suppliers for these products (e.g., fruit and nut farming, support activities for crop production), and distribution channels (e.g., warehousing and storage; beer, wine, and distilled alcoholic beverage merchant wholesalers).

Specialty Agriculture, Food, and Beverage is the third largest of the targets of opportunity, employing 5,547 across the five county region. It has added jobs at a much faster rate (33%) than the regional economy as a whole (8%) over the 1990-2004 period. It pays an average wage that is about 12% lower than the regional average, but with substantial differences among sectors. In general, wages are much lower among the front-end suppliers than the downstream manufacturing and distribution sectors. In addition, the average wage in Specialty Agriculture, Food, and Beverages has closed the gap with the regional average—moving from 25% to 12% below the regional average over the 1990-2004 period.

The number of firms in this target of opportunity increased by 11% between 1990 and 2003, well ahead of the region's growth rate of 1.5%. North Coast employment in Specialty Agriculture, Food, and Beverages is concentrated at one and a half times the California average, and has remained so over the last decade and a half.

A closer look at the sectors comprising Specialty Agriculture, Food, and Beverage (see chart below) reveals that:

- Two of the top three largest employers are in agricultural production: fruit and tree nut farming and greenhouse/nursery/floriculture production. Both have been growing, with greenhouse/nursery/floriculture production jobs increasing rapidly since 1990. It is now almost four times more concentrated in the North Coast region than the California average. Both sectors pay below-average wages, although their wages grew faster than the regional average wage between 1990 and 2004.

- The second largest employer, beverage manufacturing, has moved from paying below-average wages to above-average wages during the 1990-2004 period. It has also expanded its base of firms from 50 in 1990 to 80 in 2003, an increase of 38%. This sector is more than four times more concentrated in the North Coast region than the California average.
- Dairy product manufacturing has been a small, but rapidly expanding sector, growing jobs at an average of more than 9% annually between 1990 and 2004, with real wages that are much higher than the regional average. Moreover, its regional concentration that has jumped from a position just below the California average in 1990 to almost three times that of the state average by 2004.
- Support sectors such as warehousing and storage, and wholesalers overall have also grown. Warehousing and storage has grown at more than 12% annually, while moving from below-average to above-average wages. Wholesalers pay at or above-average wages.

INDUSTRY CODE (NAICS Code)	INDUSTRY SECTOR (NAICSTitle)	Regional Employment		Regional Average Annual Wage		Average Annual Growth Rate	Total Establishments			Regional Employment Concentration (relative to CA)	
		1990	2004	1990	2004	1990-2004	1990	2003	% Change	1990	2004
1113	Fruit and Tree Nut Farming	1274	1373	\$ 13,469	\$ 15,617	0.5%	95	120	20.8%	2.31	2.52
3121	Beverage Manufacturing	856	1030	\$ 25,858	\$ 33,297	1.3%	50	80	37.5%	-	4.28
1114	Greenhouse, Nursery, and Floriculture Production	482	903	\$ 18,117	\$ 22,024	4.6%	35	39	10.3%	2.26	3.88
1151	Support Activities for Crop Production	481	491	\$ 16,528	\$ 22,782	0.1%	30	31	3.2%	0.60	0.48
4452	Specialty Food Stores	298	458	\$ 15,758	\$ 19,159	3.1%	55	64	14.1%	1.33	1.93
4244	Grocery and Related Product Wholesalers	394	333	\$ 27,421	\$ 29,465	-1.2%	120	97	-23.7%	0.97	0.61
3115	Dairy Product Manufacturing	90	308	\$ 33,145	\$ 37,800	9.2%	6	8	25.0%	0.89	2.83
4931	Warehousing and Storage	47	234	\$ 25,163	\$ 31,949	12.1%	33	38	13.2%	0.35	0.58
4248	Beer, Wine, and Distilled Alcoholic Beverage Merchant Wholesalers	166	197	\$ 32,708	\$ 46,537	1.2%	18	11	-63.6%	1.88	2.31
3119	Other Food Manufacturing	38	139	\$ 39,433	\$ 16,610	9.7%	10	12	16.7%	0.43	0.97
1125	Animal Aquaculture	14	27	\$ 12,665	\$ 17,884	4.8%	8	8	0.0%	2.76	7.40
4245	Farm Product Raw Material Merchant Wholesalers	-	24	\$ -	\$ 28,113	-	13	21	38.1%	-	2.20
3113	Sugar and Confectionery Product Manufacturing	17	20	\$ 7,056	\$ 13,514	1.2%	4	4	0.0%	0.24	0.37

A focus group of employers in Specialty Agriculture, Food, and Beverages identified the following major reasons why this target of opportunity has grown in the North Coast region:

- Growing consumer demand for specialty products, and particularly specialties with a "local connection," an origin that is meaningful to the customer in terms of quality, unique taste, etc., has spurred growth.
- A growing regional market for regional products, including growing preferences among North Coast population to "eat local" and growing

number of “escapees” from urban areas with disposable income and interests in locally-made products.

- Growth of the organic industry has grown as consumer preferences have increased for organic/natural products, partly due to additional focus on health.
- The North Coast geography and climate (e.g., weather, length of growing season, space for new agriculture-related businesses) has been a good fit for products that are growing in demand—such as organics.
- Product innovation from regional producers has also helped drive growth.
- There has been growing access and efficiency in reaching customers outside the region (e.g., the internet means physical location is as big a barrier as before). Also, responsive retailers and chefs have been willing to use and showcase regional products.

Employers also described the best opportunities for future growth in Specialty Agriculture, Food, and Beverages:

- Demand for specialty products (including organics) will continue to grow. Many of these products have mainstream market potential.
- Continuing migration to the North Coast will increase regional customer base with preferences for regional specialties (including organics).
- Continuing innovation in products, preservation, packaging, flavors, nutritional enhancement, etc., will capitalize on changing consumer preferences.
- Food safety fears regarding other places will help increase demand for North Coast products (e.g., “safe” tuna).
- Building a North Coast brand will expand the customer base for a full range of North Coast products, which will enable faster job growth. This could include communicating the “clean, rural” story around products and expanded efforts to educate consumers (e.g., marketing, cooking classes, seminars, health fairs).
- Improved transportation will enable more and faster shipment of specialty products (e.g., expanded freeways to accommodate larger trucks, especially for perishables).
- More collaboration among businesses with transportation, employment, purchasing, distribution, and other areas will help all partners grow. An immediate opportunity: coordinate outflows among multiple producers and share loads to ensure full trucks leaving region.

To capitalize on these opportunities, employers in Specialty Agriculture, Food, and Beverages identified the following biggest workforce requirements:

- Higher-level professionals such as executive level strategists, managers, and higher-level sales and finance professionals.
- Mid-level practitioners such as experienced managers, marketing/consumer branding support staff, sales, and people with electronics and mechanical skills who can repair high-tech packaging lines. At this level, employers are looking for critical thinkers, career-oriented professionals.
- Lower-level staff such as production/manufacturing line workers, people willing “to grow with the industry” (i.e., take long-term path to management positions), farm and dairy laborers. At this level, employers are looking for dependable, trainable people, free of drug and alcohol dependency, and adequately housed.

The current occupational pattern in Specialty Agriculture, Food, and Beverages is weighted towards the lower-level, which represents about two-thirds of the jobs. However, 36% of all jobs (and almost half of the largest occupations in this target of opportunity) are at the mid and higher levels, with employers indicating opportunities for career progression. In the chart below, the percentage distribution is based on wage level and is relative to that of the entire regional economy (i.e., if it mirrored the regional economy exactly, there would be 33.3% of the jobs at each level). The occupations include not only those traditionally associated with farming (e.g., farm laborers), but many manufacturing and support jobs (e.g., packagers, maintenance and repair workers, sales representatives).

- Six percent of the workforce holds higher-level jobs. They include three of the top 20 largest occupational groups in this target of opportunity. In addition, two jobs are projected to be among the 50 fastest growing occupations in the region over the next several years: in order of size, sales representatives (wholesale) and accountants/auditors.
- Thirty percent of the workforce is in mid-level jobs. They include six of the top 20 largest occupations groups in this target of opportunity. In addition, three jobs are projected to be among the 50 fastest growing occupations in the region over the next several years: in order of size, truck drivers (heavy), truck drivers (light/delivery), and customer service representatives. Truck drivers (heavy, light/delivery, and industrial/tractor) and maintenance and repair workers are also more highly concentrated than the California average.
- Sixty-four percent of the workforce is in lower-level jobs. They include eleven of the top 20 largest occupational groups in this target of opportunity. In addition, two jobs are projected to be among the 50 fastest growing occupations in the region over the next several years: farm workers/laborers and food batchmakers. Cashiers, bakers, and food batchmakers are also more highly concentrated than the California average.

SPECIALTY AGRICULTURE, FOOD, AND BEVERAGES

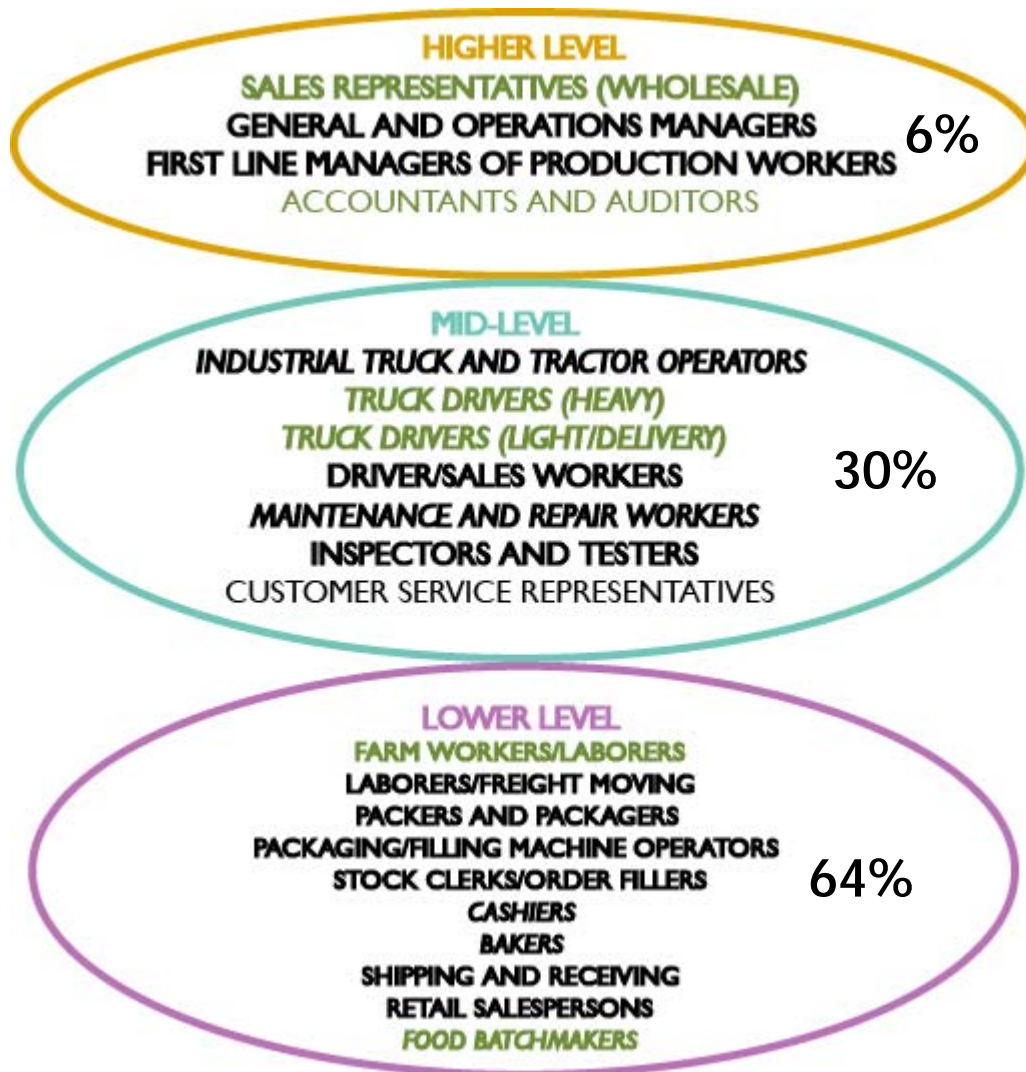


CHART KEY:

1. **BOLD** = ONE OF THE 20 LARGEST OCCUPATIONAL GROUPS IN SPECIALTY AGRICULTURE, FOOD, AND BEVERAGES
2. *ITALICS* = PROJECTED TO BE ONE OF THE 50 FASTEST GROWING OCCUPATIONAL GROUPS IN THE NORTH COAST ECONOMY
3. **GREEN** = AN OCCUPATIONAL GROUP MORE CONCENTRATED IN THE NORTH COAST REGION THAN CALIFORNIA AS A WHOLE

INVESTMENT SUPPORT SERVICES

	1990	2004	%Change	Regional Comparison
Employment	2524	2880	14%	8%
Firms	768	980	22%	1.5%
Wages	\$ 26,701	\$ 32,820	23%	6%
Concentration	0.70	0.68	-3%	N/A

Note: Firms are for the 1990-2003 period.

Investment Support Services is a growing range of professional advisory services that help people and businesses evaluate and execute investment decisions. These services include packaging of credit for businesses or personal purchases such as a home. Specifically, this target of opportunity includes services such as making mortgage and real estate loans, and investing in high-grade securities; engaging in sales financing or sales financing in combination with leasing; extending credit through credit instruments (except credit cards and sales finance agreements); acting as agents (i.e., brokers) between buyers and sellers in buying or selling securities, real estate, or insurance products on a commission or transaction fee basis; estimating the fair market value of real estate.

Investment Support Services is the fourth largest of the targets of opportunity, employing 2,880 across the five county region. It has added jobs at a faster rate (14%) than the regional economy as a whole (8%) over the 1990-2004 period. It pays an average wage that is 17% higher than the regional average of \$28,142. Real wages also grew at a much faster rate (23%) than the regional average of 6%. Moreover, the number of firms in Investment Support Services increased by 22% between 1990 and 2003, far beyond the region's growth rate of 1.5%. It has remained concentrated at about 70% of the California average since 1990.

A closer look at the sectors comprising Investment Support Services (see chart below) reveals that:

- The biggest employer is depository credit intermediation (i.e., commercial banks, savings institutions, and credit unions). This sector has grown relatively slowly (0.6% annually), but faster than the sector in California: it has shifted from an employment concentration below to one above the California average. The sector also jumped from a below-average wage to an above-average wage within the North Coast region between 1990 and 2004.
- The second largest employer—insurance agencies and brokers—has also grown slowly, but has experienced a real increase of 42% in average wage during this period, and is now far above the regional average.

- Real estate related services have experienced more growth. They pay below-average wages, but have closed the gap, increasing faster than the regional average between 1990 and 2004.
- Other sectors have experienced little employment change, but have grown in average wage (securities brokerage, accounting).
- Most sectors have not only experienced job growth, but substantial expansion in the number of firms. The number of securities brokerages grew 59%, firms related to credit intermediation (e.g., loan brokers) grew 69%, and other companies involved in financial investment activities grew 75% during this period. In each case, some of the firm growth is from business owners who have no employees.

INDUSTRY CODE (NAICS Code)	INDUSTRY SECTOR (NAICSTitle)	Regional Employment		Regional Average Annual Wage		Average Annual Growth Rate	Total Establishments			Regional Employment Concentration (relative to CA)	
		1990	2004	1990	2004	1990-2004	1990	2003	%Change	1990	2004
5221	Depository Credit Intermediation	1060	1155	\$ 25,857	\$ 31,237	0.6%	105	108	2.8%	0.79	1.02
5242	Agencies, Brokerages, and Other Insurance Related Activities	422	462	\$ 30,059	\$ 42,636	0.6%	198	199	0.5%	0.82	0.74
5412	Accounting, Tax Preparation, Bookkeeping, and Payroll Services	387	386	\$ 23,741	\$ 25,443	0.0%	163	239	31.8%	0.59	0.58
5313	Activities Related to Real Estate	254	362	\$ 20,015	\$ 24,710	2.6%	42	59	28.8%	0.65	0.66
5312	Offices of Real Estate Agents and Brokers	231	316	\$ 25,174	\$ 26,736	2.3%	219	244	10.2%	0.97	0.92
5231	Securities and Commodity Contracts Intermediation and Brokerage	137	106	\$ 47,750	\$ 85,376	-1.8%	16	39	59.0%	0.75	0.39
5223	Activities Related to Credit Intermediation	22	51	\$ 26,189	\$ 27,955	6.2%	9	29	69.0%	0.22	0.16
5239	Other Financial Investment Activities	11	42	\$ 8,753	\$ 25,156	10.0%	16	63	74.6%	0.08	0.15

A focus group of employers in Investment Services identified the following major reasons why this target of opportunity has grown in the North Coast region:

- More people have moved to the region with investment and/or retirement capital.
- More baby boomers have come into inheritances and have sought investment opportunities, advice, and services.
- Appreciation of real estate has created opportunities for financing other investments
- Creation of new financial institutions has expanded number of services available

- CEOs of local firms enjoy the quality of life of the North Coast, and choose to locate and grow their businesses in the region.

Employers also described the best opportunities for future growth in Investment Support Services:

- Continuing change in population mix towards more retirees will mean more demand for investment support services.
- Investment advisors, who are working on their own, will need to add support staff to handle growing business.
- As new businesses grow and locate in the region, the demand for commercial investment support services will rise. A caveat: if housing gets too unaffordable, this growth could be curtailed.

To capitalize on these opportunities, employers in Investment Support Services identified the following biggest workforce requirements:

- Higher-level professionals like loan officers and managers, and those adept at "making deals"
- Mid-level practitioners such as loan processors
- Lower-level staff such as tellers, clerks, and support staff (e.g., reception, data input). At the entry level, trainable youth with a solid, basic education.

The current occupational pattern in Investment Support Services includes large and growing occupations at the high and mid levels, suggesting strong career potential. In the chart below, the percentage distribution is based on wage level and is relative to that of the entire regional economy (i.e., if it mirrored the regional economy exactly, there would be 33.3% of the jobs at each level). There are a fairly balanced number of jobs at the higher and mid levels, with a smaller proportion at the lower-level. There are some occupations at all levels projected to be among the fastest growing in the entire regional economy.

- Thirty-eight percent of the workforce holds higher-level jobs. They include ten of the top 20 largest occupational groups in this target of opportunity. In addition, two jobs are projected to be among the 50 fastest growing occupations in the region over the next several years: in order of size, accountants and auditors, and computer systems analysts.
- Forty percent of the workforce is in mid-level jobs. They include six of the top 20 largest occupations groups in this target of opportunity. In addition, three jobs are projected to be among the 50 fastest growing occupations in the region over the next several years: in order of size, customer service representatives, bill and account collectors, and computer support specialists. Jobs in at this level in

bookkeeping/accounting/auditing are more highly concentrated than the California average.

- Twenty-two percent of the workforce is in lower-level jobs. They include four of the top 20 largest occupational groups in this target of opportunity. Only one job (i.e., counter clerks) are projected to be among the 50 fastest growing occupations in the region over the next several years.

INVESTMENT SUPPORT SERVICES

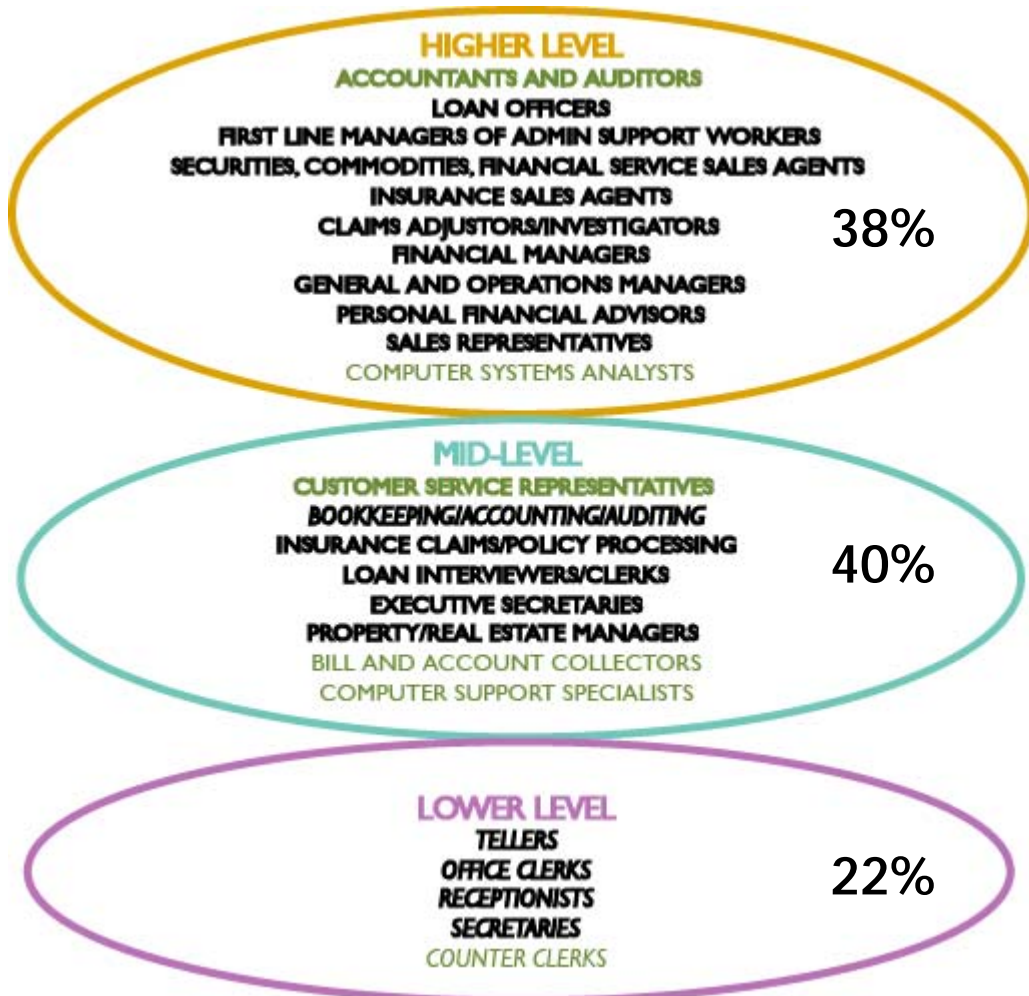


CHART KEY:

1. **BOLD** = ONE OF THE 20 LARGEST OCCUPATIONAL GROUPS IN INVESTMENT SUPPORT SERVICES
2. **ITALICS** = PROJECTED TO BE ONE OF THE 50 FASTEST GROWING OCCUPATIONAL GROUPS IN THE NORTH COAST ECONOMY
3. **GREEN** = AN OCCUPATIONAL GROUP MORE CONCENTRATED IN THE NORTH COAST REGION THAN CALIFORNIA AS A WHOLE

MANAGEMENT AND INNOVATION SERVICES

	1990	2004	%Change	Regional Comparison
Employment	1095	2466	125%	8%
Firms	562	1011	80%	1.5%
Wages	\$ 30,347	\$ 33,304	10%	6%
Concentration	0.35	0.41	19%	N/A

Note: Firms are for the 1990-2003 period.

Management and Innovation Services is a growing area of professional assistance focused helping other businesses develop and implement product and process innovations. The major sectors include the following:

- *Scientific/Technical Consulting Services*—including advice and assistance to businesses and other organizations on designs and specifications that optimize the use, value, and appearance of their products.
- *Management Consulting Services*—including advice and assistance to businesses and other organizations on management issues, such as strategic and organizational planning; financial planning and budgeting; marketing objectives and policies.
- *Engineering and Design Services*—including the application of physical laws and principles of engineering in the design, development, and utilization of machines, materials, instruments, structures, processes, and systems.
- *Research and Development in the Physical, Engineering, and Life Sciences*—including research and experimental development in the physical, engineering, and life sciences, such as agriculture, electronics, environmental, biology, botany, biotechnology, computers, chemistry, food, fisheries, forests, geology, health, mathematics, medicine, oceanography, pharmacy, physics, veterinary, and other allied subjects.
- *Computer Systems Design and Related Services*—including (1) Writing, modifying, testing, and supporting software to meet the needs of a particular customer, (2) Planning and designing computer systems that integrate computer hardware, software, and communication technologies, and (3) on-site management and operation of clients' computer systems and/or data processing facilities.

Management and Innovation Services is the fifth largest of the targets of opportunity, employing 2,466 across the five county region. It has added jobs at a much faster rate (125%) than the region as a whole (8%) over the 1990-2004 period. It pays an average wage that is 18% higher than the regional average of \$28,142. Real wages also grew at a faster rate (10%) than the regional average of 6%. Moreover, the number of firms in

Management and Innovation Services increased by 80% between 1990 and 2003, far beyond the region's growth rate of 1.5%. It is still a small sector relatively speaking, remaining concentrated at only about 40% of the California average over the last decade and a half.

A closer look at the sectors comprising Management and Innovation Services (see chart below) reveals that:

- The biggest employers are management of companies and enterprises (i.e., firms that administer, oversee, and manage other establishments); architectural, engineering and related services; management, scientific, and technical consulting services; and other professional, scientific, and technical services.
- Architectural, engineering, and related services has experienced slow growth, but pays an average wage well above the regional average—and growing at a faster rate as well.
- Three sectors have experienced double-digit annual job growth rates of 13-19% between 1990 and 2004: management of companies and enterprises; management, scientific, and technical consulting services; and specialized design services. Each of these sectors has also jumped from below-average to above-average wages compared to the rest of the regional economy during this period.
- Scientific research and development services is a small sector, but has grown and moved from below-average to above-average wages as well.
- Every sector in Management and Innovation Services has experienced a double-digit increase in the number of firms—ranging from 21% to 82% over the 1990-2003 period.
- Most sectors pay average wages above the regional average, and have experienced real wage gains over the past decade and a half.

NAICS Code	2002 NAICSTitle	Regional Employment		Regional Average Annual Wage		Average Annual Growth Rate	Total Establishments			Regional Employment Concentration (relative to CA)	
		1990	2004	1990	2004		1990-2004	1990	2003	% Change	1990
5511	Management of Companies and Enterprises	91	711	\$ 24,931	\$ 37,302	15.8%	4	9	55.6%	0.32	0.46
5413	Architectural, Engineering, and Related Services	498	551	\$ 35,404	\$ 40,236	0.7%	160	202	20.8%	0.58	0.53
5419	Other Professional, Scientific, and Technical Services	265	400	\$ 14,148	\$ 22,122	3.0%	113	180	37.2%	1.07	1.13
5416	Management, Scientific, and Technical Consulting Services	61	370	\$ 19,439	\$ 31,192	13.7%	132	279	52.7%	0.16	0.47
5417	Scientific Research and Development Services	71	98	\$ 21,388	\$ 30,338	2.3%	18	37	51.4%	0.13	0.16
5415	Computer Systems Design and Related Services	51	97	\$ 40,546	\$ 47,282	4.7%	35	102	65.7%	0.12	0.09
5611	Office Administrative Services	53	94	\$ 88,421	\$ 37,675	4.2%	8	37	78.4%	0.25	0.28
5414	Specialized Design Services	5	55	\$ 24,528	\$ 35,385	18.7%	73	105	30.5%	0.04	0.36
5181	Internet Service Providers and Web Search Portals	-	48	\$ -	\$ 30,345	-	5	28	82.1%	-	0.27
5182	Data Processing, Hosting, and Related Services	-	42	\$ -	\$ 27,213	-	14	32	56.3%	-	0.31

A focus group of employers in Management and Innovation Services identified the following major reasons why this target of opportunity has grown in the North Coast region:

- A growing number of talented professionals have moved to the region for quality of life reasons, and have chosen to remain and grow their businesses in the region.
- Graduates of Humboldt State University have remained (or returned after being away from the region), and have started or staffed these kind of talent-driven businesses.
- The internet has enabled firms based here to reach and interact with customers, partners, and vendors outside the region. A caveat: current capacity and reliability problems could hurt the growth prospects for this target of opportunity.
- The growth in information technology use and networking has increased the demand for technical consulting.
- The education and ability of the local talent pool has enabled firms to grow—including access to “accent neutral,” skilled front-line staff.
- In some areas, specialties have developed (e.g., environmental consulting) because of the region's unique location and assets (i.e., “we are where the trees are”). These specialties are in demand inside and outside the region.

- In some areas, the need to address aging infrastructure in the region has helped spur growth (e.g., architectural, engineering, and related services).

Employers also described the best opportunities for future growth in Management and Innovation Services:

- Expand business with other firms within the region (have only begun to tap this potential)
- Reach out to large and growing global market for management and innovation services
- Knowledge-driven industries are having to “think outside the box” to keep pace, and are looking increasingly to external management and innovation service firms to spur innovation.
- More opportunity for continuing growth in the number of businesses, as more talent migrates, stays, or returns to the region.
- More growth likely in customer service functions as businesses expand their customer base.
- Some specialties (e.g., TV and radio production using new media) are possible and can be a good fit in rural areas, as more can be done with highly-talented people working with less expensive technology, less extensive overhead costs.
- New areas of innovation—such as alternative energy systems, green building, sustainable design, and natural resource economics (including analysis of issues, restoration work)—will open up new frontiers for growth for an exportable expertise (e.g., other places need to manage their environments). A driver can be government regulations and incentives.
- Pervasive broadband coverage and redundant fiber could support growth of this target of opportunity by increasing quality access and lowering cost.

To capitalize on these opportunities, employers in Management and Innovation Services identified the following biggest workforce requirements:

- Higher-level professionals like network systems analysts and administrators, new media producers
- Mid-level practitioners such as those with specialized skills in networking and security; analysts; integrators; database administrators, and more generally engineering and science graduates. Also, more ability in the “soft skills” of management (e.g., human resources).
- At the entry-level, there is a need for better educated (BS/BA), PC-savvy, career oriented individuals with good verbal and written communication skills who want to stay in the region.

The current occupational pattern in Management and Investment Services is concentrated heavily in the higher-level jobs (83% of total jobs). In the chart below, the percentage distribution is based on wage level and is relative to that of the entire regional economy (i.e., if it mirrored the regional economy exactly, there would be 33.3% of the jobs at each level). There are virtually no occupations with wages that would qualify as a “lower-level” job in the region. There are, of course, entry-level jobs at the lowest end of the mid-level occupational categories. Altogether, this pattern suggests mid and higher level opportunities for people in the North Coast with a college education and specialized skills.

- Eighty-three percent of the workforce holds higher-level jobs. They include fifteen of the top 20 largest occupational groups in this target of opportunity. In addition, two jobs are projected to be among the 50 fastest growing occupations in the region over the next several years: in order of size, accountants and auditors, and computer systems analysts. In addition, environmental scientists are more concentrated in the North Coast region than the California average.
- Seventeen percent of the workforce is in mid-level jobs. They include five of the top 20 largest occupations groups in this target of opportunity. In addition, one job (computer support specialist) is projected to be among the 50 fastest growing occupations in the region over the next several years. Environmental science/protection technicians are more highly concentrated than the California average.

MANAGEMENT AND INNOVATION SERVICES

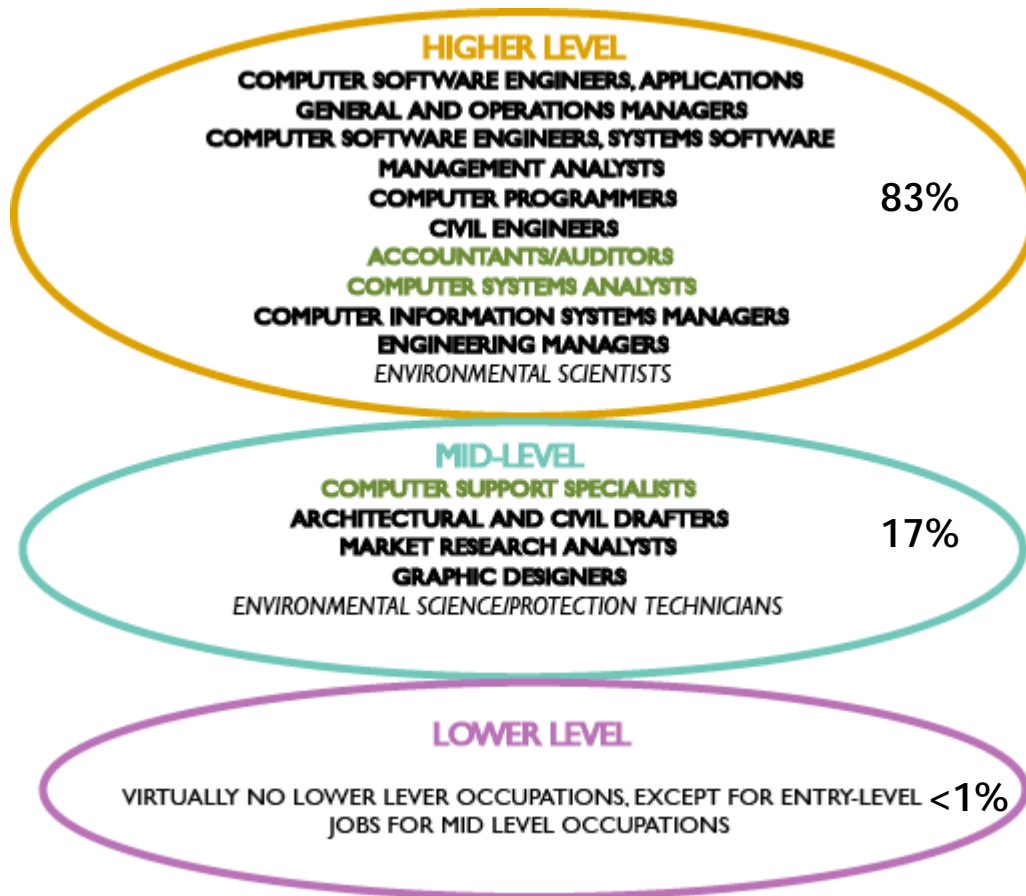


CHART KEY:

1. **BOLD** = ONE OF THE 20 LARGEST OCCUPATIONAL GROUPS IN MANAGEMENT AND INNOVATION SERVICES
2. *ITALICS* = PROJECTED TO BE ONE OF THE 50 FASTEST GROWING OCCUPATIONAL GROUPS IN THE NORTH COAST ECONOMY
3. **GREEN** = AN OCCUPATIONAL GROUP MORE CONCENTRATED IN THE NORTH COAST REGION THAN CALIFORNIA AS A WHOLE

NICHE MANUFACTURING

	1990	2004	% Change	Regional Comparison
Employment	1517	2022	33%	8%
Firms	460	548	19%	1.5%
Wages	\$ 27,023	\$ 33,824	25%	6%
Concentration	0.39	0.53	35%	N/A

Note: Firms are for the 1990-2003 period.

Niche Manufacturing includes more than 500 small, specialized producers spread across more than 20 industry classifications. No individual sector employs more than a few hundred people. Firms in this sector are involved in metal components, coatings, glass products, machinery, medical devices, and other products. These firms are growing operations and, according to a focus group of CEOs, already experiencing labor shortages that could affect their ability to continue growing in the region.

Although Niche Manufacturing is the smallest of the targets of opportunity, employing 2,022 across the five county region, it has been growing rapidly. It has added jobs at more than four times the rate (33%) as the region as a whole (8%) over the 1990-2004 period. It pays an average wage that is 20% higher than the regional average of \$28,142. Real wages also grew at a rate (25%) more than four times the regional average of 6%. Moreover, the number of firms in Niche Manufacturing increased by 19% between 1990 and 2003, well beyond the region's growth rate of 1.5%. Niche Manufacturing is still a small sector relatively speaking, but has moved up from 39% to 53% of the California average over the last decade and a half.

A closer look at the sectors comprising Niche Manufacturing (see chart below) reveals that:

- The biggest sector is metal product manufacturers—especially fabricated metal, and architectural and structural metal products—as well as related activities such as coating, engraving, heat treating, machine shops, turned product, and screw, nut, and bolt manufacturing.
- The second largest sector involves manufacturing products with other materials including plastics, glass, and clay—as well as paint, coatings, and adhesives.
- The third largest manufacturing sector is actually a miscellaneous category, which includes jewelry, sporting goods, games, office supply, musical instrument, and other areas. Real wages in this sector have more than doubled between 1990 and 2004—from a level below to one above the regional average. While wages have jumped, there has also been almost a doubling of jobs and an increase of 22% in the number of firms during this period.

- Other sizable support sectors include durable goods wholesalers, electronic goods wholesalers, and electronic shopping and mail order houses, which give customers outside the region access to North Coast-made products. Between 1990 and 2004, most of these sectors shifted from paying below-average to above-average wages compared to the region.
- Overall, most sectors pay average wages higher than the regional average, some substantially higher.

INDUSTRY CODE (NAICS Code)	INDUSTRY SECTOR (NAICSTitle)	Regional Employment		Regional Average Annual Wage		Average Annual Growth Rate	Total Establishments			Regional Employment Concentration (relative to CA)	
		1990	2004	1990	2004		1990-2004	1990	2003	% Change	1990
332	Fabricated Metal Product Manufacturing Paint, Coating and Adhesive Manufacturing/Plastics Product	530	659	\$ 34,534	\$ 33,958	1.60%	81	105	22.9%	0.53	0.73
4236/4239	Electrical and Electronics Goods and Miscellaneous Durable Goods Merchant Wholesalers	296	386	\$ 32,987	\$ 30,287	1.9%	91	90	28%	0.33	0.47
325/326/327	Manufacturing/Clay Product and Refractory Manufacturing/Glass and Glass Product Manufacturing	290	380	\$ 28,588	\$ 33,451	1.9%	77	104	35%	0.24	0.31
4541	Electronic Shopping and Mail-Order Houses	199	252	\$ 15,646	\$ 31,856	1.7%	46	42	-10%	2.74	2.03
3399	Other Miscellaneous Manufacturing	100	194	\$ 20,390	\$ 43,649	0.0%	86	110	22%	0.40	0.73
3391	Medical Equipment and Supplies Manufacturing	55	60	\$ 26,272	\$ 30,193	0.6%	37	29	-28%	0.20	0.19
8112	Electronic and Precision Equipment Repair and Maintenance	47	46	\$ 24,468	\$ 40,881	-0.2%	59	54	-9%	0.53	0.56
3331	Agriculture, Construction, and Mining Machinery Manufacturing	-	45	-	\$ 31,649	-	6	10	40%	0.00	1.35

A focus group of employers in Niche Manufacturing identified the following major reasons why this target of opportunity has grown in the North Coast region:

- Entrepreneurs who want to stay in the area because of quality of life have driven growth in Niche Manufacturing
- Entrepreneurs have identified specialized high-value niches, made a commitment to innovation and service, and have kept costs lower compared to competitors.
- The internet has given firms more “equal footing” to compete in growing global markets.
- In some cases, large institutional markets (e.g., schools) came to accept North Coast products (e.g., marimbas). In other cases, government policies (e.g., EPA regulations) created a niche business opportunity (e.g., pollution control equipment).

- Growing disposable income among some in the region have helped drive art sales (which helps some niche manufacturers).

Employers also described the best opportunities for future growth in Niche Manufacturing:

- Growing demand for customized, specialty products in a wide variety of industry and consumer markets.
- Growing need for specialized machining, engineering, and short-run "agile" manufacturing and rapid prototyping.
- Growing government-driven markets (e.g., pollution control, ethanol) will spur need for specialized equipment.
- Innovative designs will increase sales (e.g., decorative glass art).
- Better advertising and outreach will help increase customer base within the region.
- Increasing expansion and use of the internet will make Niche Manufacturing's products available worldwide. Region will be known for its "global sourcing expertise" based on a compelling "quality and price combination," with "service as our calling card."

To capitalize on these opportunities, employers in Niche Manufacturing identified the following biggest workforce requirements:

- Higher-level professionals like operations and production managers, manufacturing engineers, and sales managers
- Mid-level practitioners such as office managers, customer service, telephone sales people, mold-pattern makers and glass cold workers, inspectors and testers, repairers, steel fabricators, sheet metal workers, millwrights
- Lower-level staff such as order clerks, office clerks, receptionists, and production workers who "want to work, show up on time, have a work ethic, and are U.S. citizens."

The current occupational pattern in Niche Manufacturing includes large set of growing occupations at the mid level, suggesting strong career potential. In the chart below, the percentage distribution is based on wage level and is relative to that of the entire regional economy (i.e., if it mirrored the regional economy exactly, there would be 33.3% of the jobs at each level). There are a fairly balanced number of jobs across the three levels. Several of the occupations found at the mid-level are also projected to be among the fastest growing in the entire regional economy.

- Twenty percent of the workforce holds higher-level jobs. They include five of the top 20 largest occupational groups in this target of opportunity. In addition, two jobs (first line managers of production workers, and accountants/auditors) are projected to be among the 50 fastest growing occupations in the region over the next several years.
- Fifty percent of the workforce is in mid-level jobs. They include six of the top 20 largest occupations groups in this target of opportunity. In addition, four jobs are projected to be among the 50 fastest growing occupations in the region over the next several years: in order of size, truck drivers (light/delivery), truck drivers (heavy), sheet metal workers, and computer support specialists. Jobs in at this level in bookkeeping/accounting/auditing, as well as maintenance and repair and truck drivers (light/delivery) are more highly concentrated than the California average.
- Thirty percent of the workforce is in lower-level jobs. They include nine of the top 20 largest occupational groups in this target of opportunity. While none of these jobs is projected to be among the 50 fastest growing occupations in the region over the next several years, employers report that these jobs provide a pathway to mid-level jobs. Team assemblers and office clerks are more concentrated in the region than the California average.

NICHE MANUFACTURING

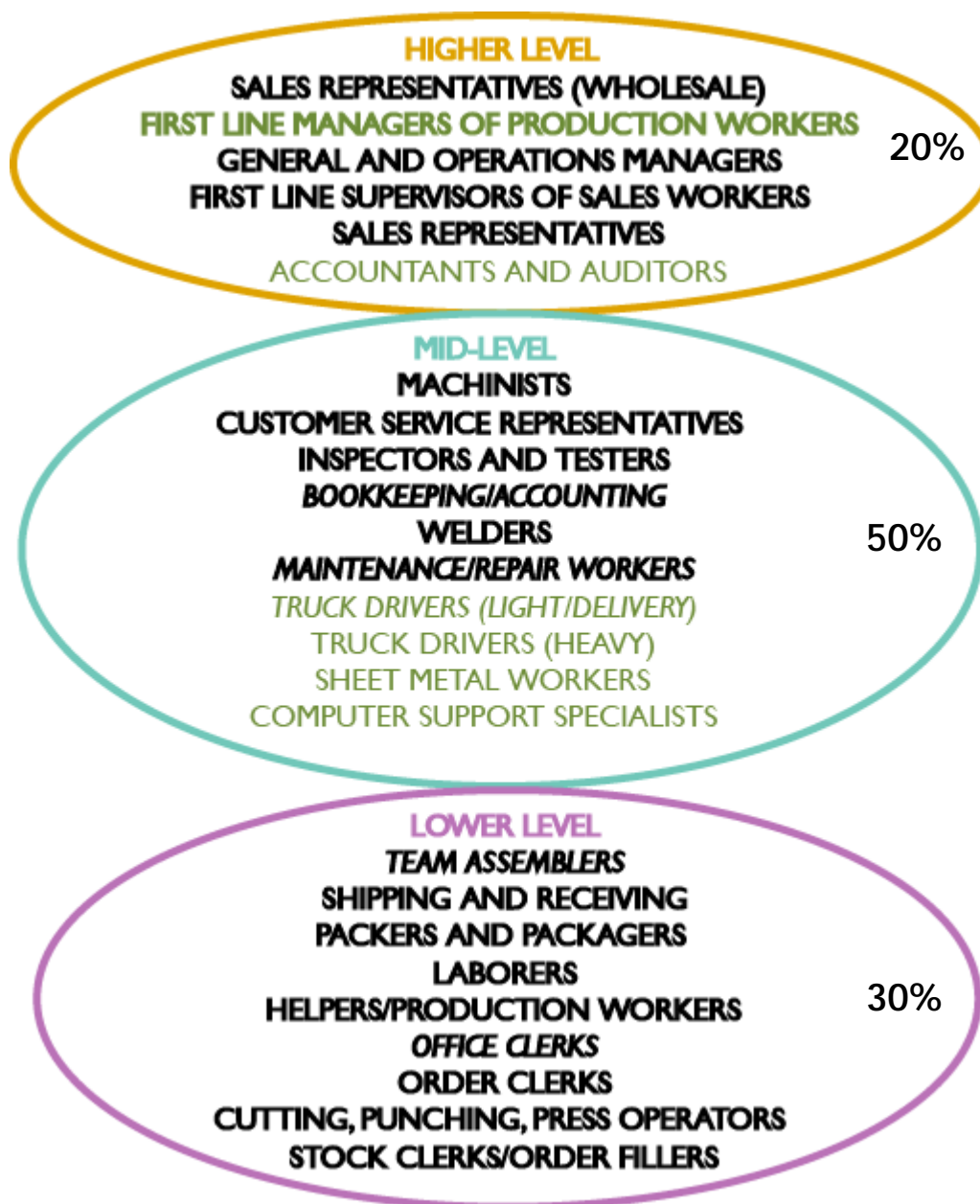


CHART KEY:

1. **BOLD** = ONE OF THE 20 LARGEST OCCUPATIONAL GROUPS IN NICHE MANUFACTURING
2. **ITALICS** = PROJECTED TO BE ONE OF THE 50 FASTEST GROWING OCCUPATIONAL GROUPS IN THE NORTH COAST ECONOMY

3. **GREEN** = AN OCCUPATIONAL GROUP MORE CONCENTRATED IN THE NORTH COAST REGION THAN CALIFORNIA AS A WHOLE

CONCLUSION

The North Coast targets of opportunity include about 70 high-performing industry sectors, selected from among hundreds of sectors across the five-county economy. These sectors have demonstrated over a 15-year period that they have staying power: they grew even after the ups and downs of several business cycles. They represent a sustained, structural shift in the North Coast economy: targets of opportunity have emerged as other areas of the economy have receded.

Together, they now directly account for more than one-third of the private sector employment and one-half of the private sector wages—and their impact is much greater as the employees and firms in these sectors buy other goods and services in the region. For all these reasons, we recommend that the North Coast focus on targets of opportunity as their top economic and workforce development priorities.

Based on this assessment of the North Coast's targets of opportunity—including information from focus groups of employers in each area—the following recommendations are proposed:

- Prioritize and align workforce and economic development resources, and other infrastructure investments, to these high-potential targets of opportunity.
- In terms of economic development, encourage entrepreneurship and support innovation in each target of opportunity—focusing on business creation and expansion of existing firms in sectors with a track record of growth in the North Coast region.
- In terms of workforce development, prepare people for career progressions in each target of opportunity. In particular:
 - Prepare entry-level production and related workers while moving up promising employees into mid-level positions (e.g., Niche Manufacturing; Specialty Agriculture, Food, and Beverages; Building and Systems Construction and Maintenance)
 - Create a comprehensive health care career initiative—recruiting residents for education and training that enables them to move into and through lower, mid, and higher level occupations in Diversified Health Care.
 - Build awareness in the region (e.g., among Humboldt State University students and recent graduates, highly-skilled but under-employed residents) of growing higher-level employment opportunities (e.g., Management and Innovation Services, Investment Support Services, and others).
 - Target occupations for recruitment, education, and training that are critical to multiple targets of opportunity and are expected to grow in the

future (e.g., accountants, customer service representatives, computer support specialists, truck drivers).

- Encourage and support collaboration within targets of opportunity to build on their economic success. For example:
 - Within Specialty Agriculture, Food, and Beverages, forge collaboration among businesses in marketing/branding, transportation, employment, purchasing, distribution, and other areas that could help all partners grow. An immediate opportunity: coordinate outflows among multiple producers and share loads to ensure full trucks leaving region.
 - Within Diversified Health Care, forge collaboration among providers to create a new integrated model of delivery, which will improve care, increase access, expand economic vitality, and grow employment opportunities.
 - Working across all targets of opportunity, create a partnership to market the economic potential and career opportunities to specific audiences—such as youth, working residents who are candidates for careers in these target areas, or talent living outside the region who may want to return or move to the region.

The next step is to create the *Redwood Region Targets of Opportunity Project*. The Project will build on this initial report, disseminating its results and focusing the region's public, private, and civic leaders on growing the targets of opportunity. In particular, it will engage employers directly in partnerships to meet their economic and workforce development needs, beginning with the recommendations outlined above. With concerted action, the region can ensure that its targets of opportunity are growing wellsprings of prosperity.

APPENDIX

NORTH COAST EMPLOYER FOCUS GROUPS AUGUST-OCTOBER 2006

DIVERSIFIED HEALTH

Why is your industry growing in the region?

- Aging of population compared to CA
- Aging population/retired excess
- Exodus from “big cities”, so locale, environment
- Higher specialist day relative to rest of CA
- Specialty development
- More things to do in medicine opportunity
- Limited out migration – need to have it locally because of geographic distance from next tier levels
- Change to hospitalist program (restructuring away from hospitals is increasing overall number employed)
- Federal clinics FQHC, 9510 – greater amount of federal/state supported health care
- Need more employees to deal with regulatory and reimbursement problems (high cost of staying open)

What are the best opportunities for future growth?

- Reorganization of small medical groups to a larger, linked organization
- Increased clinical integration model
- Linking (formally) of org. or smaller groups to clinic networks
- An information system linking pt. data from any medical source
- Recruitment of new practitioners to integrated, linked group for higher service
- Telemedicine – exporting services
- Niche centers of excellence
- Reputation for quality access, low cost
- Growing retirement sector
- “Lifestyle” services for aging boomers (cosmetic, etc)
- Specific targeting of services to un- and under-insured
- Inefficiencies supported by gov. programs
- More activity in less useful services (supply determines demand)
- So much loss of PCPs in region so need to invest in base

What are the biggest workforce requirements for future growth?

- Nurse practitioners, physician assistants
- Mid-level practitioners (PA & nurse practitioners)
- Physicians, physician assistants, nurse practitioners
- Nurses
- Practice managers

- 2nd level professional, dental hygienists, pharmacy techs, LVNs
- Empowered medical assistants – more expanded job
- Health educators (group classes, etc.)

BUILDING AND SYSTEMS CONSTRUCTION AND MAINTENANCE

Why is your industry growing in the region?

- Aging infrastructure
- Need to replace aging infrastructure
- Aging home stock in need or repair
- Aging existing infrastructure
- Government regulations, seismic upgrades
- Public investment of tax dollars in infrastructure improvements
- Schools/university upgrade buildings (seismic) and build new facilities
- Approval of projects funded by government bonds
- Demand for new office space/retail/services
- Casino gambling. Private investment to upgrade existing facilities. State and federal funds for infrastructure improvements
- Business thriving due to tourism
- Population growth – retirees
- Influx of retirees/Silicon Valley folks
- Inevitable and inherent population growth
- Coastal California (desirable place to live)
- Affluent move-ins
- Effort and risk taking recognize opportunity
- Housing demand – all types
- Property value increases
- Quality of life attracts employees
- Public's desire to upgrade
- People have more disposable income – entrepreneurs, inheritances, retirees
- Retired “empty nesters” building homes
- 2nd homes
- Homes as a market comm.
- Increased interest in design
- Innovative service providers that encourage contracting with rather than do-it-yourself
- Low interest rates
- Workers moving into construction from other “lagging” industries – logging and fishing

What are the best opportunities for future growth?

- Retail facilities that meet heightened expectations of public (co-op, Eureka Natural Foods, etc.)
- Tourism facilities
- Entrep. attitude of population driving need for more business/manuf.

- Bldg. associated with entrepreneurial efforts to sell outside area
- Needed focus on new export products shipped via harbor
- More population moving here
- Need more housing (and different e.g., elder housing)
- Increase % of workers who can afford a home
- Smart growth attracts quality people
- Better planning for development (if not, a problem)
- Green construction
- Alternative energy construction
- Demand for more energy efficient buildings
- New systems: solar, wind
- Growth in res. and com. renewable energy applications
- Efficient design (green) bldgs.
- Increasing infrastructure needs
- Availability of new infrastructure (infill) and financing
- Meeting infrastructure funding needs
- Public desire for custom work
- High value add forestry and other bldg products
- "Emergency readiness"
- Consulting: helping the do-it-yourselfers or other contractors
- Educating the public on opportunities to remain local through school system
- Less restructure regulations relating to: development, resource extraction, attracting heavy industry
- Develop identity of North Coast

What are the biggest workforce requirements for future growth?

- Meeting the educational needs for engineers, scientists
- Well trained, educated civil engineers, geologist, scientists
- Software engineers for industry specific programs
- For manufacturing: technicians, machine operators, millwrights, fabricators
- Skilled carpenters, masons
- Const tradespersons. All trades
- Cabinet makers
- Trained mid-management – superintendents, project managers
- Construction workers and managers
- Well trained lead workers, construction workers with math and layout skills
- Design and drafting
- Lighting designers
- Solar technicians. Alternative energy installers/designers
- Persons who are able to innovate and invent
- Need skilled tradesmen who are flexible
- Skilled building trades workers with continuing skills, upgrading
- Skilled tradespeople
- Need folks who are willing to work up the ladder
- Need bright entry-level folks – how to make the 'A' students stay local
- Drug free employees
- Core understd. of bldg science and basic business

- High school grads who have been prepared to meet a vocation
- Vocation as a career
- Problem – transportation costs will continue to rise
- Curriculum development (HSV, CR) to train educate workforce
- Continuous training of the workforce

SPECIALTY AGRICULTURE, FOOD AND BEVERAGE

Why is your industry growing in the region?

- Growing awareness of demand for specialty items
- Consumer expectations
- Change in tastes among customers
- Consumer demand for alternatives
- Consumers looking for a better product
- Regional market very conducive to "eating local"
- People want a "local connection"
- Larger % of consumers with discretionary income
- Increase in population escaping urban areas
- Increase in global travel – exposure to new products, experiences
- Tourism
- Growth of organic industry
- Consumer demand for "natural/organic" products
- Interest in natural products
- Great climate
- Weather and length of growing season
- Organic – Humboldt climate etc. is a natural fit for organic
- Rural location = space for ag businesses
- Interest in/concerns for health relate to interest in high specialty food
- Health benefits related to mod. consumptions red wine
- Product development
- Acquisitions – growth in region through acquisitions in other locations
- Technology – physical location doesn't have to be a barrier
- Increased efficiency in reaching non-local customers (Internet)
- Responsive retailers
- Responsive chefs
- Good economic condition in the nation as a whole

What are the best opportunities for future growth?

- Branding Humboldt County to the world
- Continued growth of demand
- Communicate the rural, clean regional story in marketing (possibly under regional logo)
- Advertise outside Humboldt, etc to increase consumption of Humboldt manufactured products
- Specialty in becoming more mainstream ↑market potential
- Specialty products showing greater interest thus greater opportunity
- Organics – more + more + more
- Need more raw ingredients
- More collaboration and networking between businesses – transport – employment – purchasing
- Discover and fill consumer preferences – packaging, flavors, nutritional enhancement

- Move direct contracts with local farmers and manufacturers
- Local broker as conduit for local food products
- Natural foods distributors as target for export
- Co-ops/natural foods stores as distribution channel
- Further educate consumers to buy locally (due to higher oil use to ship in products)
- Increase local awareness of local products
- Education of customers i.e. cooking classes, seminars, health fairs, etc.
- Food safety fears regarding other places products, so people want Humboldt products (e.g., "safe" seafood (tuna))
- Technologies in dairy to extend spoilage periods
- Population migration
- Improved transportation solutions
- 53 foot trucks into area (esp. for perishables; only so much growth opportunity in the region without this change; also, trucks leave empty or partially full, so a big opportunity for at least a small step towards a solution would be to share loads, coordinate outflows from multiple producers)
- Affordable housing
- Estate tax reform
- Commodity products limited by population

What are the biggest workforce requirements for future growth?

- Executive level strategists
- Managers
- Higher level sales finance
- Retailers and restaurateurs willing to promote local products
- Experienced mid-level managers – 5 years minimum
- Production (manufacturing) line workers
- People willing to take long-term steps toward management positions
- Marketing/consumer branding
- Sales "animals"
- People who can repair high tech packaging lines, electronics and mechanical
- Educated – primary, secondary, professional
- Critical thinkers
- Career oriented pros
- People willing to grow with industry
- Farm/dairy laborers
- Lower level dependable trainable
- Trained and trainable
- Availability of relative low skill labor
- People not in underground economy who will work more than 2 days a week
- People with adequate living arrangements, i.e., not living in their cars
- Drug and alcohol dependency free
- Affordable housing

INVESTMENT SUPPORT SERVICES

Why is your industry growing in the region?

- Real estate appreciation (financing)
- Investing for retirement more important
- People moving here with investment/retirement capital
- Rob Arkley and his vision
- Community ready for growth
- Location of CEO/principal (Q of L)
- Creation of local institutions
- Appreciation of RE
- Baby boom inheritance
- Creation of new financial institutions
- Quality of life

What are the best opportunities for future growth?

- Further transition of population mix (more retirees)
- Investment advisors ↑support staff
- Attract business to the area
- None unless housing gets affordable

What are the biggest workforce requirements for future growth?

- "Deal guys"
- Loan officers, managers
- Loan processors
- Tellers/clerks
- Support staff (reception, data input, etc)
- Youth with education

MANAGEMENT AND INNOVATION SERVICES

Why is your industry growing in the region?

- Quality of life
- Location (Q of L)
- Proximity to HSU → Talent attracts (and some stay) and produce specialty workforce
- Internet (Reliability issues in this region)
- Education and ability of employment base – "Accent neutral", skilled front-line staff
- Use of tech in all businesses
- Demand for tech consulting
- Growth from similar industry co. (e.g., Humboldt bank growth)
- Location of resources ("where the trees are")
- Old infrastructure
- Interest rates → low rates = lots of activity

What are the best opportunities for future growth?

- Virtually all growth opportunity is reaching outside this area for other business
- Market products outside region
- Education, networking and communications for social innovation nationally and globally
- Knowledge industries → “think out of the box” (Innovation)
- Develop companies that cater to existing companies – in this region
- Promote entrepreneurial start-up companies that cater to specific H.C. needs and separately to those that serve out of area clients
- Customer service
- TV & radio production → new media, less expensive to do it with better tech; leverage off significant expertise that have now
- Alternative energy systems
- Natural systems – green building – sustainable design
- Natural resource economics
- More growth → Natural resource economics (analysis of issues, restoration work), environmental analysis, an exportable expertise (other places need to manage forests, environment, etc.); a driver=government regulations/incentives
- Broadband coverage and redundant fiber makes region more attractive to business—and cost will go down also (e.g., Bend OR example of redundancy of second “pipe”)
- More technology, broadband redundancy, wireless
- Tie in HSU & CR into specific careers or positions within county
- Training and development in all vital sectors
- Higher wage jobs

What are the biggest workforce requirements for future growth?

- New age media producers
- High level network system analysts, administrators
- Specialized skills – e.g. networking, security, analysts, integrators; database administrators
- Engineering and science graduates
- Available and affordable educated talent pool
- Highly skilled technical people, preferably with some previous work experience
- Potential employees with diverse experience (not right out of school)
- Better educated (min = BS/BA)
- Career orientation
- Connectivity with the world
- Goal to stay in area
- “Soft” skills (in tech/prof. staff)
- PC savvy
- Good verbal and written communication skills
- Appropriate training at HSU

NICHE MANUFACTURING

Why is your industry growing in the region?

- Global markets
- Expansion into regional markets
- The Internet can give the niche player “equal footing”
- Market grew naturally to create demand over time
- General acceptance of marimbas in the school market
- Wealth and disposable income changes directly drive art sales
- EPA regulations (e.g., pollution control equipment)
- Commitment to innovation and service
- Special processes
- Part of our growth is the acknowledgement by the percussion industry that Marimba One is the leader in innovation and quality
- Entrepreneurs who want to stay in area
- Lifestyle – innovation for survival and producing prosperity
- Glass has grown on one level due to local sub-culture
- Competitive costs can still match China
- Affordable labor

What are the best opportunities for future growth?

- Specialty products
- National city co. need for specialized gear
- Specialized machining, engineering and short-run manufacturing (rapid prototyping/agile manufacturing)
- Focus on more knowledge based products (less bulk-based products)
- New innovative designs – in art – generally increased sales and marketing (decorative glass art)
- Arts district
- Ethanol industries in U.S. (pollution control eqmt)
- Telecommuting
- WWW global presence. Not location dependent
- Internet sales
- Advertise our capability – within the region
- Global sourcing expertise
- Quality and price point combination
- Service – our calling card

What are the biggest workforce requirements for future growth?

- Manufacturing engineer
- Operations managers
- Production manager
- Competent sales managers
- Office manager
- Telephone sales people
- Customer service

- Mold-pattern makers and glass cold workers
- Inspectors and testers
- Steel fabricators
- Repair
- Sheet metal workers
- Millwrights
- Order clerk
- Office clerks, receptionists
- Production people who want to work (in production) and are US citizens
- Production people who want to work, show up on time and have a work ethic
- Production workers
- Redwood CC is shutting down its vocation-technical training. So is HSU.