

Report: City's Industries Outgrowing Workforce

Daniel Mintz, Feb. 27, [Arcata Eye](#)

Arcata's manufacturing and specialty food businesses figure prominently in a new report on the region's most thriving industries – they're players in national and global markets, and some of them are turning down contracts for lack of workers.

The county's Workforce Investment Board released its Targets of Opportunity economic analysis last week, and it focuses on "the highest growth sectors in terms of jobs, wages and firms" since 1990 in a five-county region including Humboldt. Arcata is a major force in three of six categories of industry comprising the region's fastest-growing job sources.

Specialty agriculture, food and beverage firms, niche manufacturing and management/innovation consultants have especially strong presences in Arcata, and they are seeing significant business expansion and job growth. Together with the other categories – diversified health care, buildings and systems construction, and investment support services – they account for 37 percent of the region's job growth from 1990 to 2004. The region's total workforce increase for the same time period, including government jobs, is eight percent. Workforce Investment Board Executive Director Jacqueline Debets said the industries named as "targets of opportunity" contributed mightily, making up for anemic performance in other categories.

And she added that the six industry clusters pushed a 1.5 percent increase in the region's number of firms. "We see that these are the growth-drivers in our economy," said Debets. "If not for them, that 1.5 percent would have been a negative number."

Arcata is fertile ground for the niche manufacturing and specialty food clusters made up of "small, nimble companies that create needs in the global market and grow jobs," Debets continued. And contradicting the county's reputation as a jobs void, some of these businesses are outgrowing workforce capacity.

Global economic players include Carlson Wireless, which recently moved to Arcata from Garberville and makes wireless phone and Internet systems. Debets said it has "huge international market potential" and it is only one of many firms whose job base is local but whose market is national and international.

Rescuers and clean-up crews active during and after Hurricane Katrina wore dry-suits made by Arcata's Kokatat firm, and so do Coast Guard members. Wing Inflatables is what Debets called "a world class leader" in manufacture of custom boat bumpers, and has contracts with the U.S. Navy and Coast Guard.

Marimba One's custom marimbas are used worldwide, and American Hydroponics' products are in demand overseas, as much of the world beyond the U.S. uses water-based systems to grow food. Crafted products like jewelry, represented locally by Tomas Jewelers and Holly Yashi, also have wide market ranges and specialty food makers like Cypress Grove Chevre are quickly expanding.

But there has been a limiting factor. The businesses in the fast-growth clusters are short on an essential component. "All of them have talked about labor," Debets said. "A big message from every business owner has been, 'We need employees and are moderating our growth because there are not enough of them.'"

And all have found themselves turning down contracts for lack of the workforce to carry them out. Cypress Grove has turned down contract offers from large scale distributors like Costco, Debets said, and it has seen 30-percent per year growth over the last five years, adding 18 jobs in the last two.

The report's information offsets economic cynicism from some local circles. "In this community, we tend to talk about lack, but the message of this report is opportunity," said Debets. There is a widening range of it, and it includes higher-wage jobs.

Debets believes the environmental consciousness that helps define Arcata's political identity is also likely to increasingly contribute to its economy. The management and innovation cluster is strong in the city, represented by firms like McBain and Trush and Stillwater Associates.

As human activity intensifies environmental impacts, problem-solving becomes more valuable, and Debets said workers with knowledge are among the highest-paid in the world. Her agency's report includes a summary of comments from business owners, and they emphasized the presence of Humboldt State University as an important workforce factor.

Many of Arcata's residents probably don't think of the city of a base of national and global market activity. "Most of us haven't thought about it," said Debets. "We tend to look at the world that is right in front of us, which is retail – but that is not what is driving the economy."