



The Update

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POPULATION DATA

Total Population

Jan 1, 2005 3,056,865 Orange County
 Jan 1, 2005 36,810,358 California
 July 1, 2005 296.4 million U.S.

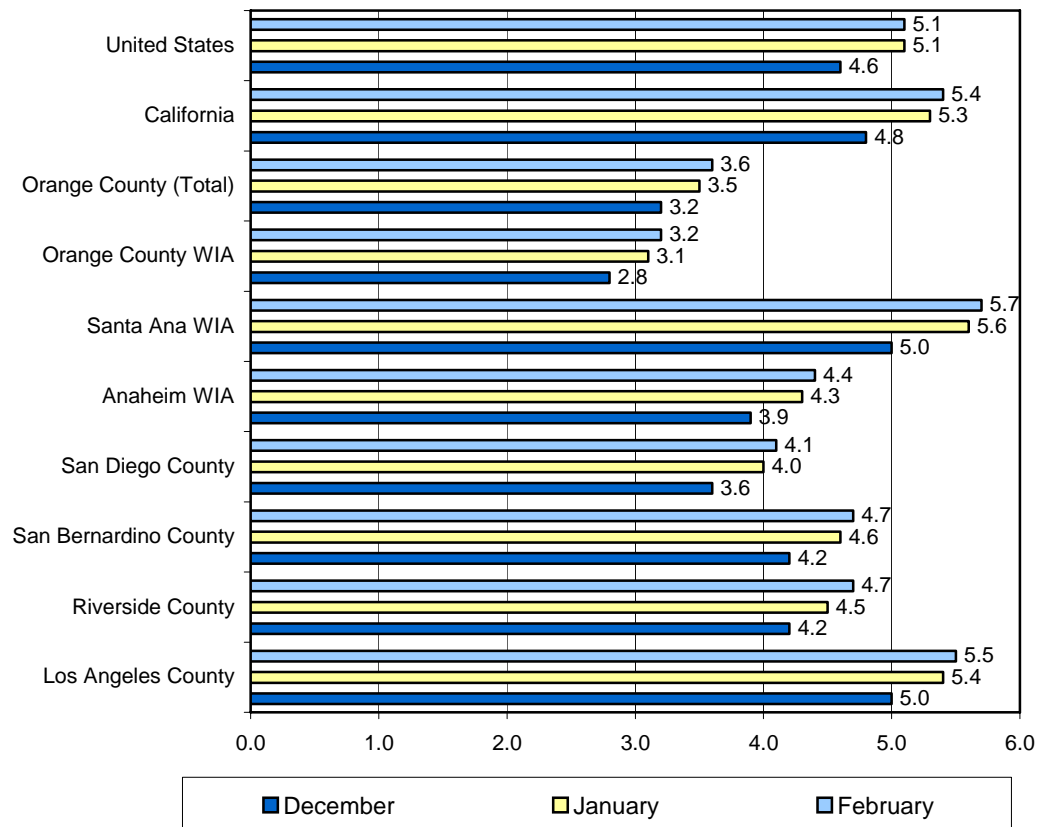
ORANGE COUNTY EMPLOYMENT DATA

Total Civilian Labor Force

January 2006 1,598,800 (Revised)
 February 2006 1,598,300 (Preliminary)

Source: EDD, Labor Market Division. Note: Each month is subject to slight revisions thirty days after issuance. All previous figures are benchmarked each March.

UNEMPLOYMENT RATES



Category of Links

EDD's unemployment rates by County for January - February 2006

Labor Force & Industry Employment Data March 2006

Manpower Global Employment Outlook Survey

Orange County Healthcare Summit- "Examining Today to Plan for Tomorrow"

ACM Globalization Report

Inventors, Inventions, and Innovative Small Businesses

Labor Force & Industry Employment Data February 2006

Between January 2006 and February 2006, nonfarm wage and salary employment in Orange County grew by 12,300 to reach 1,496,600 jobs. This is a normal seasonal increase.

- Government posted the largest gain, with the addition of 4,000 jobs last month. Ninety three percent of the seasonal growth was in local government education, as teachers returned to the classroom following semester breaks.
- Professional and business services added 3,500 jobs in the previous month. Nearly 60 percent of the gain was in administrative and support services, which includes temporary help agencies. This is the largest month over gain recorded since 1990.
- Leisure and hospitality employment grew by 2,200 jobs, with almost 80 percent of the increase in accommodation and food service.
- Trade, transportation and utilities reported the only decline, with a seasonal decrease of 1,800 jobs. The losses were concentrated in retail trade, as stores continued to lay off temporary workers following the holiday shopping season.

Between February 2005 and February 2006, total nonfarm employment was up 26,700 jobs, an increase of 1.8 percent.

- Professional and business services reported the largest gain with the addition of 11,200 jobs. Over three quarters of the job growth was in administrative and support services, which includes temporary help agencies.
- Construction employment was up 7,300 jobs, with nearly 80 percent of the growth in specialty trade contractors.
- Education and health services employment rose by 2,600 jobs. Ninety six percent of the expansion was health care and social assistance.
- Trade, transportation and utilities increased by 1,800 jobs led by advances in retail trade, which were slightly offset by a decline in wholesale trade.

Sources: Employment Development Department, Labor Market Division press release, March 24, 2006
[http://www.calmis.ca.gov/file/lfmonth/oran\\$PDS.pdf](http://www.calmis.ca.gov/file/lfmonth/oran$PDS.pdf)

Manpower Global Employment Outlook Survey

Manpower Inc. is in the global employment services industry with 4,400 offices in 72 countries and territories. The Manpower Employment Outlook Survey is conducted quarterly to measure employers' intentions to increase or decrease the number of employees in their workforces during the next quarter. All employers participating in the survey are asked the same question, "How do you anticipate total employment at your location to change in the three months to the end of June 2006 as compared to the current quarter?" Over 47,000 employers have been interviewed across 24 countries and territories to measure anticipated employment trends between April and June 2006. Employers in 23 of the 24 countries and territories surveyed expect to add to their workforces in the second quarter of 2006, although 8 of the 24 countries and territories are reporting weaker employment prospects compared to last year at this time.

Contact Us

<http://www.ocwib.org>

ocwib@csa.ocgov.com

All employers report improved or equal Net Employment Outlooks compared to three months ago, except those in the UK, when seasonal adjustments are taken into account. "Net Employment Outlook" is derived by taking the percentage of employers anticipating an increase in hiring activity and subtracting from this the percentage of employers that expect to see a decrease in employment at their location in the next quarter.

Employers in Peru joined the survey for the first time this quarter and reported a buoyant forecast, while employers in Germany reported only their second positive Outlook since the survey began in the country in Quarter 3, 2003. Employers in Japan, India, Taiwan, and Peru reported the strongest hiring expectations, with those in Italy reporting the weakest, and only negative forecast. Across Europe, the majority of markets look set to improve from three months ago, with the strongest hiring expected in Spain, Norway, and Sweden. In the United States and Canada, seasonally adjusted data reveals stable and continued buoyant hiring activity.

The report available at: <http://www.manpower.com/mpcom/content.jsp?articleid=388>

Orange County Healthcare Summit - "Examining Today to Plan for Tomorrow"

The Orange County Workforce Investment Board (OCWIB) and the Orange County Business Council sponsored a Healthcare Summit on Tuesday, March 21, 2006 at the St. Joseph Hospital Annex in Orange.

Josh Williams of Godbe Research presented the results of the Healthcare Skills Mapping Project, "Orange County Healthcare Workforce, Examining Today to Plan for Tomorrow", a project funded by the OCWIB. The project's objectives were to assess current and projected health services workforce needs within Orange County between 2005 and 2015; develop and analyze indicators of potential shortages or gaps in occupational supply and demand, and identify potential solutions to workforce challenges.

The occupational assessment of potential shortages indicates that Registered Nurses and Respiratory Therapists will be "strongly" undersupplied in the future. Cardiovascular Technicians; Home Health Aides; Licensed Vocational Nurses; Medical/Clinical Lab Technicians; and Medical Assistants exhibit "some" indication they will be undersupplied in the future.

Medical Records/Health Information Technicians; Occupational Therapists; Pharmacy Technicians; Physical Therapists; Radiological Technologists/Technicians; and Surgical Technologists provided "little to no" indication they will be undersupplied in the future. Cardiovascular Technicians; Registered Nurses; Radiological Technicians; Medical Assistants; and Licensed Vocational Nurses present those health care professionals surveyed "great" or "some" difficulty in finding qualified applicants.

The top 5 occupations in terms of net job growth for the next 10 years are Registered Nurses (3,369); Medical Assistants (1,483); Home Health Aides (872); Licensed Vocational Nurses (691); and Physical Therapists (253). The average wage gain during the period 2001 to 2005 was 30% for Registered Nurses; 30% for Respiratory Therapists; 18% for Cardiovascular Technologists and Technicians; and 17% for Surgical Technologists.

Findings for the Healthcare Industry indicate that wage pressure is growing, especially for occupations with higher educational requirements. Healthcare providers are currently looking to increase employment with *temporary workers*. This will provide employers

greater hiring flexibility and a lower financial commitment, but engenders less employee development, and could impact the quality of care. **Medical offices and clinics** are expected to grow more than any other segment in the next 10 years in terms of overall employment and currently are the least interested in employee development programs.

The Orange County and State Nursing workforce report was provided by Vernon Lin, M.D., Ph.D., VA Hospital, Long Beach, CA. California had the lowest number of RNs per 100,000 of any state in the U.S. in 2004. The absence of qualified nursing faculty was the primary restriction on admitting students to full capacity as cited by 78% of the nursing programs surveyed. The average age of an RN in California has increased to 47.7 years of age representing a nationwide trend suggesting a dramatic increase in the number of RN retirees in the coming years. Baby boomers are the largest demographic group in the U.S., and they are turning age 60 everyday. By 2020, the first wave of this group with an estimated size of 78.2 million people will be turning 75, 2.6 years short of the average U.S. life expectancy. The last year of one's life accounts for 22% of all medical expenditures.

Deloras Jones of the California Institute for Nursing and Health Care (CINHC) provided a State progress report on current nursing education and training initiatives. A panel discussion and presentation from various educators reported on local progress in training health care professionals: Ellen Lewis, UCI; Darlene Fishman, Cypress College; Kathleen Winston, Saddleback College; Becky Miller, Santa Ana College; and Dee Neidringhaus, North Orange County Regional Occupation Program rounded out the morning.

The Health Care Summit concluded with an afternoon Action Planning Session facilitated by Kathy Johnson of Vital Link Orange County. Educators and industry representatives discussed and formulated action plans to address skill and training gaps that exist in the Orange County healthcare industry and how training and education providers can help employers fill those gaps.

More information from the Godbe Research Report and Dr. Lin's presentation is available on the OCWIB web site at: <http://www.ocwib.org>

Offshoring IT Occupations? Develop Business Skills

A survey of 100 companies shows IT professionals might need to bone up on their business skills going forward, as employers look for workers with project management leadership, and communication skills.

The results of research conducted by more than 20 members of the Society of Information Management (SIM) between May and October 2005 show that the IT workforce may not experience a significant change in actual numbers. "The IT workforce, including in-house, independent-contractor, and third-party provider full-time equivalents (FTE) will remain basically unchanged from 2005 to 2008," the report states. But IT professionals will have to evolve their skill sets to include more business-related capabilities. Awareness of the business side of IT – and the IT side of business – is going to be crucial for anyone starting out in today's workforce.

A report issued by Gartner, a market research firm, last September predicts that by 2010, six out of 10 people affiliated with IT will assume business-facing roles. Gartner says "technical aptitude alone will no longer be enough" as IT execs will need to "posses expertise in multiple domains". CIOs want IT pros with breadth and depth of skills and diverse experiences, rather than deep and narrow specialization. "Computer science is very technical by design, but two of the more popular areas in demand are systems

analysis and systems design, both of which are customer-facing positions that require user interaction and communication skills” says Gartner.

Specifically, the study says, “business skills and capabilities represent five of the top ten skills respondents identified as critical to keep in-house in 2005”. Also, those surveyed said they didn’t think there was a sufficient supply of project managers with skills in the areas of project planning, leadership, and risk management. Communication was the skill cited as most lacking in entry-level hires, according to the report. “Employers want entry-level people to have some of the skills much earlier than they used to,” says Kate Kaiser, a charter member of SIM.

The study also found that despite the fear many IT workers have about offshoring, it might not affect U.S. – based employees all that much. “There isn’t going to be a big change in the number of U.S. IT workers, up or down, due to a number of reasons,” Kaiser says. While many were worried about the threat of offshoring or outsourcing IT jobs, the threat doesn’t appear to be large, she says.

The survey found respondents expect a slight increase in FTEs between 2005 and 2008, and that about three-fourths of employees will be full-time staff, vs. the remaining that are sourced to third-party providers. Of those expected to outsource more, the trend is not necessarily to foreign-based vendors.

“The results indicate that respondents expect to use more third-party provider FTEs at offshore locations, albeit FTEs employed by domestic third-party provider firms than foreign-based offshore vendors,” the report states (Denise Dubie, Network World, 3/29/06).

There are still ways for IT workers in developed countries to improve their chances of staying employed, according to a report from the Association for Computing Machinery (ACM). Developing good teamwork and communications skills, becoming familiar with other cultures, and choosing work in industries and occupations less likely to be automated or sent to a low-wage country are all essential in the long run, the ACM’s Job Migration Task Force said in a new report entitled “Globalization and Offshoring of Software”.

One surprising conclusion of the report is that it’s not just lower skilled jobs that are moving offshore: high-level research is also moving from Europe and the U.S. to India and China, as improvements in graduate education systems in those countries increase the number of qualified researchers (Peter Sayer, IDG News Service 02/24/06).

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<http://www.acm.org/globalizationreport/>

Inventors, Inventions, and Innovative Small Businesses

According to the Small Business Administration’s (SBA) Office of Advocacy, the current interest in American inventors has the country talking about inventors, inventions, and innovative small business. Here are some things the SBA thought you would like to know about them:

- Many inventor-entrepreneurs are legend, people like Eli Whitney, James Watt, Elias Singer, Thomas Edison, the Wright brothers, Bill Gates, Steve Jobs, and other. They provided the world with radical, *breakthrough* innovations that revolutionized the way that we do things.
- Given the nature of entrepreneurial invention, it is no surprise that, according to Office of Advocacy research, small “patenting firms” produce 13 to 14 times more

patents per employee than their larger counterparts do. Moreover, these patents are more likely to be cited in other patent applications, meaning that they are more technologically and scientifically significant.

- Even with a great idea and patent, it is not enough to be just an inventor. In order to succeed in the marketplace inventors need entrepreneurial skills. Research by the Office of Advocacy shows that regional economic growth is the result not only of innovation but of entrepreneurship, as well.
- Invention, innovation, and job creation go hand-in-hand. Firms in their first two years of operation create most of the new jobs. Over the last 12 years, small firms created 65 percent of the net new jobs, according to analysis by the Bureau of Labor Statistics.
- Many high-growth, innovative new firms are clustered around universities with large research and development expenditures. Office of Advocacy research shows that inventions and breakthroughs from university research drive economic growth in the surrounding areas.

To obtain a complete copy of the report which includes a listing of some important innovations by U.S. firms in the Twentieth Century, visit the Office of Advocacy website at http://www.sba.gov/advo/factsinventors06_03.pdf

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