



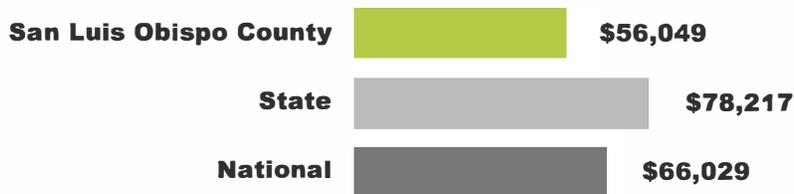
SAN LUIS OBISPO COUNTY
WORKFORCE HIGHLIGHTS

REGIONAL COMPARISON OF MEDIAN WAGES BY OCCUPATIONAL TIERS



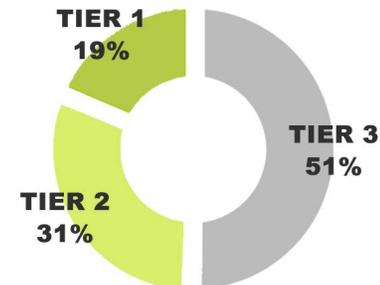
AVERAGE WAGES PER JOB

The average annual wage of a job in San Luis Obispo County is lower than the average annual wages across California and nation.



DISTRIBUTION OF OCCUPATIONS

A majority of jobs in San Luis Obispo are Tier 3 jobs. This means that San Luis Obispo currently offers more low-paying occupations than middle and high-wage occupations.



UNDEREMPLOYMENT

An underemployed worker is someone who is working in a position below his or her qualification level; e.g., a person with a bachelor's degree working as a bartender or working part-time but is seeking a full-time position.

UNDEREMPLOYMENT FOR MEDIUM-SKILLED WORKERS

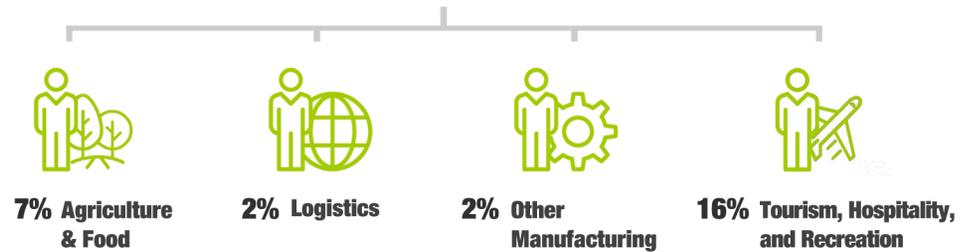


JOB VOLATILITY

Job Volatility is the likelihood that a given occupation will experience disruptive change to the skills, requirements, and/or demand for those positions due to technology and/or automation.

27% Job Volatility Rate for San Luis Obispo County, 2017

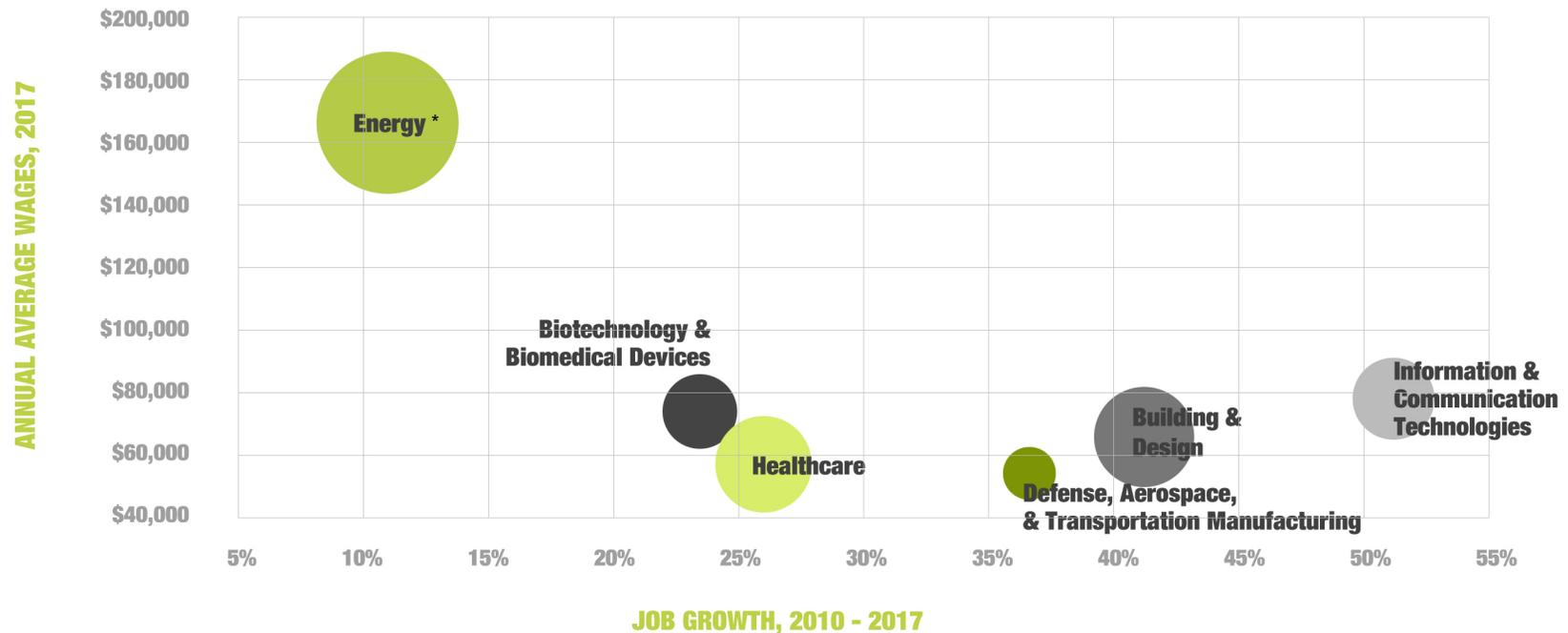
22% National Average Job Volatility Rate (2017)



INDUSTRY CLUSTER HIGHLIGHTS

Industry Clusters are geographic concentrations of businesses that typically share a common market and exchange supporting goods and services.

Note: The size of the circles represents the job concentration in San Luis Obispo County in relation to national averages.



*The Energy Industry Cluster will be significantly impacted with the closure of the Diablo Canyon Power Plant, with approximately 1,500 employees, or 46% of all jobs in this cluster.

The Research

The San Luis Obispo County Workforce Development Board commissioned BW Research Partnership, Inc., an independent research firm, to conduct the 2018 Industry Cluster Analysis and Economic and Workforce Research Study. The research highlights key industry clusters, job quality, talent and educational characteristics, and career pathways. As markets emerge and decline, the research evaluates new opportunities and challenges for workforce development in San Luis Obispo County. These findings will allow San Luis Obispo County to navigate future decisions with a shared baseline knowledge and understanding of the local labor market and economy.

The Findings

- Despite strong job growth since the Great Recession, average earnings per job are still low relative to the state-wide average.
- The region has a high concentration of lower-skill, lower-paying jobs and a low concentration of higher-skill, higher-paying occupations. Furthermore, middle-skill, middle-paying jobs have grown at a slower rate than other jobs, potentially making it harder for workers to achieve upward economic mobility and connect into higher paying career pathways.
- SLO County is a net-exporter of talent in higher-skill, higher-paying occupations such as those in management, business, science, and arts. The region is also a net-importer of lower-skill, lower-paying occupations such as sales and service positions. A talented workforce already residing in the County presents an opportunity for employers and the County alike.
- Industry clusters such as Energy, Information and Communications Technology, Biotechnology & Biomedical Devices, and Building & Design offer above-average wages and have experienced strong growth in recent years. Energy employment in the county will face a considerable transition in the years ahead as Diablo Canyon power plant moves to end its operations.
- Lower-than-average wages and higher-than-average housing costs cause hardship on residents and suppress economic activity. Half of renters and over one-third (35%) of homeowners spend 35% or more of their gross income on housing. This high-proportion of housing costs means that residents have less disposable income to spend in the local economy or invest in additional training and/or education.
- Underemployment presents a significant challenge to the area. The underemployment rate, or the percentage of those who qualify for higher-paying or higher-skill jobs than they currently have, is 9.1% among middle-skill workers in San Luis Obispo County, which is significantly greater than the state-wide average of 1.1%. This figure suggests local talent is being particularly under-utilized.

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