



County of Sonoma
Sonoma County Economic Development Board

ARPA Funding Use

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What this study was meant to do:

- Identified industries that remain challenged as general economic recovery continues in 2021 and beyond;
- Identified occupations that remain challenged as general economic recovery continues in 2021 and beyond; and
- Given challenges, provided recommendations as to where funds coming to Sonoma County from the American Rescue Plan Act of 2021 (ARPA) be placed to maximize return on investment (ROI).
- This study also considered Sonoma County's black, indigenous and people of color (BIPOC) workers and how ARPA funding may help equity goals as recovery continues.

Employers/Organizations

- Employers and Organizations: **where** people work.
 - Supporting a return to pre-pandemic levels of employment or incomes in specific industries or occupations, is a strong way to use ARPA funding to help the Sonoma County economy.
- Some industries have larger multiplier effects than others:
 - \$1 of investment creates more than \$1 of income effects on the county economy, including more taxes and wages
- Cross effects with public- and private-sector hiring.
 - Government employment or data not included here.
 - Local, state and federal government likely to see more retirements
 - Lack of government employment affects other industry hiring: multiplier effect works in reverse

Industry and Organizations at Risk, Sonoma County, as of June 2021, based on forecasted change in hiring levels

Industry	Jobs June 2021	Change Job Dec 2019 to June 2021	% Change Dec 2019 to June 2021	LQ (as an inverse measure of local risk), 2019	Work from Home Probability	Forecasted % Change Dec 2019 - Dec 2024
Accommodation and Food Services	17,200	-4,600	-21.1%	1.06	9.0%	-9.1%
Educational Services	1,400	-1,000	-41.7%	0.52	33.0%	-7.3%
Administrative/Waste Management	11,300	-500	-4.2%	0.86	31.0%	-0.3%
Arts, Entertainment, and Recreation	3,500	-500	-12.5%	1.01	19.0%	1.0%

Multiplier Effects as of 2020 for \$1 of Investment by Industry Sector, Sonoma County (Potential ARPA Effects)

Industry	\$1 gets \$X of Effects	Industry	\$1 gets \$X of Effects
Finance and Insurance	\$1.65	Manufacturing	\$1.29
Mining	\$1.51	Retail Trade	\$1.29
Arts, Entertainment, and Recreation	\$1.42	Transportation and Warehousing	\$1.29
Information	\$1.41	Accommodation and Food Services	\$1.29
Wholesale Trade	\$1.35	Management of Companies and Enterprises	\$1.27
Real Estate and Rental and Leasing	\$1.32	Health Care and Social Assistance	\$1.25
Professional and Technical Services	\$1.31	Agriculture, Forestry, Fishing & Hunting	\$1.24
Utilities	\$1.30	Construction	\$1.23
Administrative and Waste Services	\$1.30	Other Services	\$1.23
Educational Services	\$1.30		

Vulnerable Occupations and Populations

- Occupations are what people do for work
 - Supporting “vulnerable” occupations: may be more social than economic return.
- The following criteria are recommended:
 - Occupations with rising demand given the pandemic’s lingering effects between 2021 and 2024;
 - Occupations flexible among multiple industries;
 - Occupations specific to one industry must have a rising jobs forecast to 2024 for funding; and
 - Occupations specific to one industry may have rising risk if automation replaces the job or there are continued risks from COVID-19 and variants that can affect that occupation’s outlook.

Occupation Summary Data, (What People Do) and Employment Demand, Occupations at Risk

	2020	Jobs Change since 2019	% change 2019-20	Change 2020-2024	% change 2020-24	Occ Quotient (OQ)
Total all occupations	193,830	-14,040	-6.8%	3,940	2.0%	
At-Risk Occupations 45.5% of Total, 90% of lost jobs	88,260	-12,650	-14.3%	-1,990	-2.2%	
Production	10,770	-790	-6.8%	-130	-1.2%	1.09
Personal Care and Service	4,390	-1,130	-20.5%	-60	-1.4%	0.91
Office and Administrative Support	22,350	-2,650	-10.6%	-340	-1.5%	0.81
Educational Instruction and Library	11,450	-750	-6.1%	-230	-2.0%	1.47
Arts, Design, Entertainment, Sports, and Media	2,040	-160	-7.3%	-40	-2.0%	0.62
Food Preparation and Serving Related	17,190	-4,430	-20.5%	-460	-2.7%	1.57
Sales and Related	20,070	-2,740	-12.0%	-730	-3.6%	0.99

Risk and BIPOC Communities: Support and Workforce Development

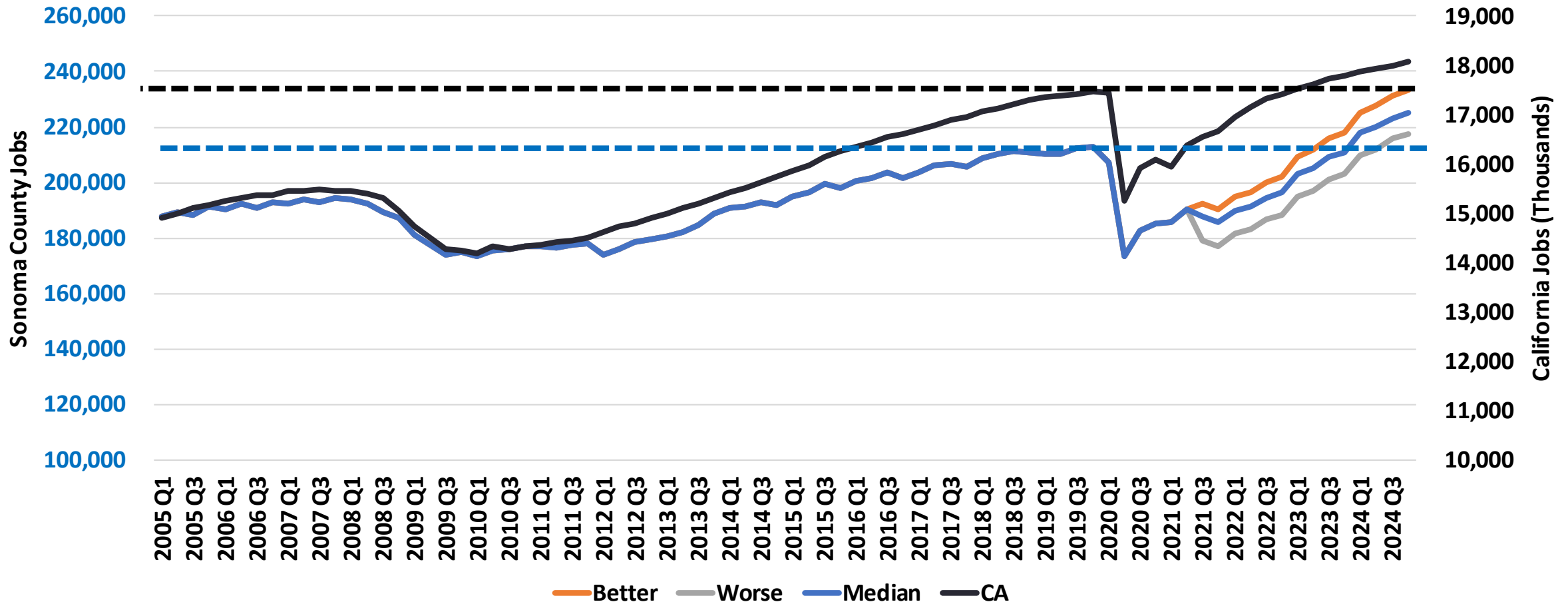


					Sonoma	Jobs
	CA	Sonoma	CA	Sonoma	Median	Change
Totals	Caucasian	Caucasian	BIPOC %	BIPOC %	Wage 2021	Q2 2019 to Q2 2020 (%)
Total and County Median Wage	59.5%	72.9%	40.5%	27.1%	\$23.18	-6.8%
Food Preparation and Serving Related	55.1%	61.2%	44.9%	38.8%	\$15.32	-20.5%
Personal Care and Service	56.2%	61.6%	43.8%	38.4%	\$16.38	-20.5%
Sales and Related	62.5%	75.4%	37.5%	24.6%	\$19.68	-12.0%
Office and Administrative Support	58.7%	78.4%	41.3%	21.6%	\$22.69	-10.6%
Farming, Fishing, and Forestry	62.4%	37.6%	37.6%	62.4%	\$17.71	-6.3%
Building and Grounds Cleaning and Maintenance	55.2%	43.9%	44.8%	56.1%	\$18.28	-4.3%
Construction and Extraction	63.5%	68.7%	36.5%	31.3%	\$31.04	0.2%
Installation, Maintenance, and Repair	62.9%	63.7%	37.1%	36.3%	\$27.43	-5.5%
Production	53.9%	65.6%	46.1%	34.4%	\$19.04	-6.8%
Transportation and Material Moving	54.3%	63.0%	45.7%	37.0%	\$18.47	-5.8%

Models Elsewhere

- Example funding criteria include:
 - Business to be funded has a viable business plan with viable financial projections to 2024;
 - Business headquartered in Sonoma County;
 - Multiplier effects of ARPA spending on that industry support a relatively-large level of additional income (bang for buck);
 - The business serves BIPOC communities, has BIPOC owners or does not exclude their support;
 - Risk of this industry remaining competitive to 2024 is relatively low, especially if funding provided;
 - Business utilizes local residents as a workforce; and
 - Business is in a targeted industry per Sonoma County EDB's strategic planning.

California and Sonoma County Employment Actuals and Forecasts, Number of Non-Farm Employees (Sonoma County) and Thousands of Non-Farm Employees (California)



Final Thoughts

- Lingering impacts from COVID-19 to 2024 at least.
- The national economy is recovering, slowed by supply-chain concerns and rising business uncertainty.
- Positive forecasts through 2024 depend greatly on global emergence from COVID-19.
- Specific industries remain at risk, which affects Sonoma County's jobs recovery.
- When considering workforce development, we need to watch occupations (what people do) as much as industry forecasts: they need to match

Thanks!
Questions?
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