

# Strong Workforce Program

## Retail, Hospitality and Tourism Regional Advisory Meeting

April 16, 2021  
Virtual - Zoom

### Introduction

The Los Rios Community College District, in partnership with Valley Vision, and in collaboration with Sierra College and Yuba Community College District, invests Strong Workforce funding to organize and convene Regional Advisories. The objectives of the Regional Advisories are to build strong relationships between employers, educators, and workforce that:

- Provide timely information on skills gaps and workforce needs, informing partners on major industry trend information;
- Improve the efficiency of the advisory process for educators and employers;
- Reflect a regional view of workforce needs and assets;
- Provide opportunities for more systemic, ongoing engagement that includes workforce partners in key industry sectors.

Regional Advisory meetings help inform decisions on needed investments and enhancements for Career Education (CE) programs to help fill the growing demand for middle-skill positions. This meeting proceedings report includes key findings, best practices, and minutes from the Spring 2021 Hospitality Sector Regional Advisory meeting focused specifically on careers in the Retail, Hospitality, and Tourism sectors.

Valley Vision supports a robust talent pipeline through our multiple 21st Century Workforce initiatives. We prepare our regional workforce for the future by addressing skills gaps, advancing research, aligning efforts and strengthening systems. Valley Vision's workforce efforts are supported by the Sacramento Employment and Training Agency (SETA), Golden Sierra Workforce Development Board (WDB), North Central Counties Consortium, Yolo WDB, City of Sacramento, local community college districts and others.

The Strong Workforce program provides Career Education opportunities to increase social mobility and fuel regional economies with skilled workers.

## Key Findings

- Looking forward to 2030, we can expect to see two major shifts: 1) The introduction of increased automation in hospitality, and potentially casual-style restaurants. In the future, residents could check into a hotel with a kiosk at the front desk, or have a robotic system serve their meal; 2) As e-commerce continues to boom and consumers turn to buying products online, local brick-and-mortar retail may focus their efforts on visitors/vacationers in the area becoming their main customer base.
- As of April 2021, California has recovered 93.2% of its pre-pandemic workforce, but the remaining loss of employment is primarily retail, hospitality, and tourism workers.
- The regional employer panel surfaced a need for increased in-person training opportunities, suggesting connecting students with employers to facilitate networking and “back of the house” tours to expose students to different RHT occupations. Additional suggestions included educational and project-based learning to teach students to problem-solve, communicate, collaborate as a team, and lead along with coursework on Change Management.
- The panel stressed the demand for an incoming workforce with emotional intelligence skills, noting specifically critical thinking; interpersonal and communication skills; the ability to work with and lead diverse groups of people; and the ability to be resilient and adaptable. Regarding hard skills, employers stated that knowledge of Point of Sale (POS) systems, inventory tracking, and knowledge of labor reports are helpful skills.
- Employers reported struggling to keep up with recovering industry demands for workers referring to a lack of applicants and workers not interested in returning.
- Large-scale pandemic furloughs and layoffs have caused a perception problem for the RHT industry. In the past, employers and educators have taught students that the RHT industry would consistently provide job opportunities, but many of these openings were decimated by the pandemic.
- Starting in Summer 2021, restaurants and retail should see an uptick in business, with travel industries picking up in 2022, and reaching pre-pandemic travel spending by 2024-2025.

## Meeting Proceedings

### Welcome & Overview

Josh Sweigert, Regional Director of Employer Engagement for Retail, Hospitality, and Tourism (RHT), started the meeting by introducing the goal of the event - to discuss changes that have occurred in RHT sectors. While all industries have been impacted by the COVID-19 pandemic, RHT was perhaps the most adversely affected.

### Keynote Speaker: Mike Testa

Mike Testa, President and CEO of Visit Sacramento and the Sacramento Sports Commission, was the advisory's keynote speaker. Visit Sacramento is the Sacramento region's Destination Marketing Organization (DMO) and is responsible for generating tourism in the greater Sacramento area through sales and marketing. Testa noted that the largest driver for tourism in Sacramento is the SAFE Credit Union Convention Center, which has a ripple effect on the economy of the surrounding region. Testa explained that conventions held in Sacramento impact hotel occupancy locally and into neighboring counties. Sacramento has more than 15 million visitors annually, who stimulate a corresponding \$3 billion into the economy.

More than 100,000 people were employed in tourism and hospitality in the Sacramento region prior to COVID-19. Multiple large hotel chains in Sacramento closed during COVID, including the Hyatt, Kimpton Sawyer, and Weston Hotels. Tens of thousands of workers were laid off - with single hotels laying off over 300 workers at a time. However, as California prepares for reopening, most of Sacramento's hotels have reopened, and many local businesses and attractions have found ways to survive during the pandemic. Hotels and businesses will soon be hosting events that had been put on hold during the pandemic - including weddings, celebrations of life, family reunions. Many events scheduled for early 2020 have been postponed to later in 2021 or 2022.

### Industry Insights

This section featured insights from a diverse panel of employers, who shared the different ways their organizations have been affected by COVID-19, and provided an insider look at the current conditions of their sector. These employers also shared the skills and abilities in demand for RHT careers. The list of panelists included:

- **Tim Stallings**, Vice President of Operations, Sacramento Republic Football Club (FC)
- **Bahar Abullarade**, Human Resources Business Partner, Raley's Supermarkets
- **Alycia Harshfield**, Executive Director, California Restaurant Foundation (CRF)
- **Bobbin Mulvaney**, Co-Owner, Mulvaney's Building & Loan
- **Lynn Mohrfeld**, President and CEO, California Hotel and Lodging Association (CHLA)



- **Sacramento Republic FC's** workforce consists of 40 part-time guest services/game worker employees, and **50 full-time** guest services/game worker employees. Many of these part-time workers use their positions as supplemental income to other jobs.
- Currently, **Raley's** employs around 13,000 workers. Skills and education of employees vary, with some college educated and graduate level education staff working in management, and employees with diverse educational backgrounds working in-store.
- **The California Restaurant Foundation** is comprised of two different pillars: Pro-Start, which works with high school culinary students across the state of California and provides scholarships for college students; and Restaurants Care, which serves as a resilience fund providing grants to restaurants to strengthen their services during the pandemic, as well as a grant program for food and beverage workers facing a personal crisis, such as injury, accident, or death of a family member. Through Pro-Start, CRF works with 140-150 culinary programs across the state to provide enrichment experiences for students.
- **Mulvaney's Building & Loan** is a Sacramento restaurant hallmark with an emphasis on farm-to-fork and supporting innovative industry initiatives. The restaurant owners are active in advocacy and community work, most recently participating in the Great Plates program and Family Meals Sacramento. They currently employ a staff of approximately 40.
- **The California Hotel and Lodging Association** employs around 113,000 workers, a number which has decreased significantly as a result of pandemic-induced layoffs. Mohrfeld commented that this industry is currently experiencing challenges with a lack of the volume of workers needed to fully resume operations.

**Large Scale Workforce Shifts** - Employers stated that one of the most critical challenges they faced over the course of the pandemic was dramatic shifts in their workforce. Some industries, like hospitality, experienced vast layoffs and furloughs. Mohrfeld stated that CHLA laid off nearly 122,000 workers in the past year as a result of the pandemic. For remaining workers, many were retrained to work in different parts of the businesses. As the pandemic wanes and vaccination rates grow, CHLA has faced

intense scheduling issues, with huge spikes in demand for hotel rooms in a time period of 1-2 days. The grocery industry has also felt this abrupt need for additional workers. At the beginning of the pandemic, Raley's supermarket experienced a massive influx in the demand for workers as consumers panicked and stocked up on groceries and household items. E-cart business and online orders also skyrocketed, leading Raley's to expand its staff of 5,000 to over 13,000 workers. The supermarket also faced struggles in regards to supply chain management over the course of the pandemic.

**Perception Challenges for RHT** – Restaurant panelists noted the industry has historically taught students that they would always be able to find a job at a restaurant or in hospitality, but suddenly, these job prospects disappeared. In addition to the pandemic, California also felt the harsh effects of wildfires all over the state in 2020. Pandemic layoffs have caused a perception problem for the restaurant industry, exposing a vulnerability with 30% of hospitality workers impacted over the last year.

**Employer's Pandemic Philanthropy** - Though many of these industries experienced hardship during the pandemic, some employers took this opportunity to connect with and provide for their communities, which were also struggling. CHLA's Restaurant's Care program rapidly raised money through a COVID-19 grant for restaurant workers, and helped around 1,200 workers. Sacramento Republic FC opened up local soccer fields for outdoor play, and raised over \$80,000 to provide seniors with bags of groceries from Raley's. Mulvaney's B & L stepped up to coordinate and find funding to feed the community through several programs like Family Meals Sacramento and Great Plates Delivered.

**Soft Skills/Emotional Intelligence** - Panelists stressed the need for a workforce that has "soft skills" or emotional intelligence skills, including critical thinking skills, interpersonal skills, and the ability to make meaningful connections with customers and fellow staff members. For many subsectors in the RHT industry, the connection with the customer is what builds a relationship with companies, and keeps them coming back. Panelists noted that employees newer to the workforce often thrived at using technology, but when this technology was unavailable or malfunctioning, staff members had a harder time adjusting to the "human element" of their jobs and connecting with customers. Panelists stated life skills - such as communicating with coworkers, following up with management, and email etiquette are important skills for the incoming workforce along with dependability, adaptability, intuitiveness, having a positive attitude and strong desire to work. elaborating that employees should have the confidence to try things out or search for answers on their own first, instead of constantly asking questions or referring to management when making decisions.

**Resiliency and Change Management** - Panelists communicated the need for an incoming workforce with the ability to be resilient and learn how to push past hardship, as opposed to simply coping with difficulties. Panelists noted workers without much experience often lack resilience. Panelists suggested Change Management coursework for students, citing that employees often have a hard time adjusting to change, which leads to instability and conflict in the workplace - a common experience during the rapid changes of the pandemic. In addition to this coursework, the panelists also agreed that employers need to practice patience and open communication with employees to mitigate some of these difficulties.

**Diversity and Inclusion** - The employer panel agreed that learning how to work with and lead a diverse group of people is a critical skill in any industry. Employers stated their workforce could be improved by teaching students about diversity and inclusion - including understanding different races, cultures, religions and genders, and learning how to work with a wide array of people from different backgrounds. The need for knowledge of diversity connects with the emotional knowledge skills mentioned previously, with employers noting cross-cultural and cross generational communication skills are very important in the workplace. Panelists recommended educating students on workplace culture, and teaching them how to instill a culture that is built on fairness, equity, and caring.

**Curriculum & Employer Connections** - Panelists suggested teaching through project-based learning, specifically through educational opportunities that teach students to work as a team, take on leadership roles, utilize problem solving skills, and innovation. Panelists recommended in-person training opportunities to teach students how to apply skills learned in the classroom in real world situations, gain first-hand experience of the industry, and introduce networking opportunities. Furthermore, they suggested tours early on in education could be beneficial for students trying to decide what career path to follow, or if working in RHT would be the right path for them.

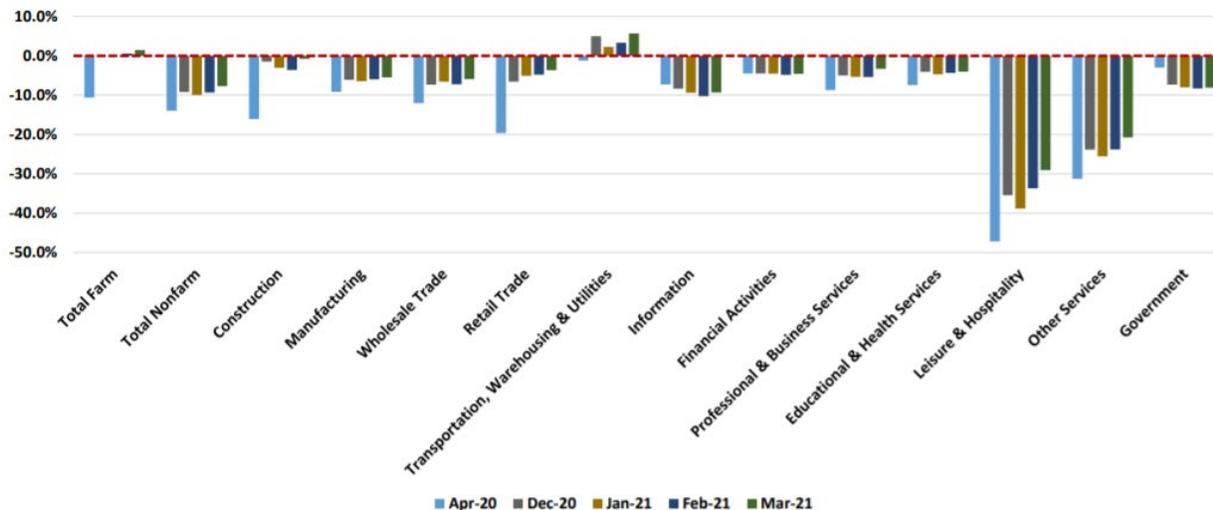
**Specific Skills & Program Examples** - Additional specific skills panelists listed as key for their industries included knowledge and training on Point of Sale (POS) systems, the ability to keep track of inventory, and the ability to read and utilize labor reports in daily business practices. A key program panelists referred to was the California Restaurant Foundation's job readiness training program, FIT (Force In Training), which covers landing a job, being a good employee, and being a leader.

#### **Industry Insights, Economic Policy and COVID-19 - Dr. Robert Eyler**

This section of the advisory was presented by Dr. Robert Eyler, Interim-Associate Vice President of Government Relations and Professor of Economics at Sonoma State University, and President of Economic Forensics and Analytics, Inc.

Dr. Eyler started off by comparing the COVID-19 pandemic's economic impact to the 2008 Great Recession. California's employment recovered from the Great Recession in 2008 faster than that of the United States overall - with the U.S. taking around 78 months to recover, and California taking 69 months to return to pre-recession employment levels. This is partially due to the explosion of the tech industry within California. As of March 2021, California is 93.2% of the way back to pre-pandemic employment levels. Dr. Eyler stated that a majority of the gap between current employment rates and pre-pandemic employment rates is made up of a loss of RHT jobs. Economists are currently debating whether or not these jobs will return, and if they do not, whether or not California will have a loss of jobs that lingers for 12-18 more months. The figure below (Figure 1) shows the percentage change in jobs within selected industries from April 2020 to March 2021 within California. The Leisure & Hospitality industry displays the most dramatic loss, at nearly 30% loss since March 2020. The Retail Trade Industry shows a significantly less decline than Leisure & Hospitality, mainly due to warehouse jobs and e-commerce, according to Dr. Eyler.

## Changes in Jobs, Selected Industries, % Change since previous year, April 2020 to March 2021, California



Sources: California EDD and EFA

Figure 1

Within the Retail Industry, some sectors had slightly increased employment rates between April 2020 and April 2021, including Building Material & Garden Equipment Stores, Food and Beverage Stores, and Non-Store Retailers. However, most retail jobs took a massive hit during the course of the pandemic, as can be seen in Figure 2, below. Eyler questions whether or not sectors like Clothing & Clothing Accessories Stores will remain brick and mortar, or consolidate jobs and move online as a result of the pandemic.

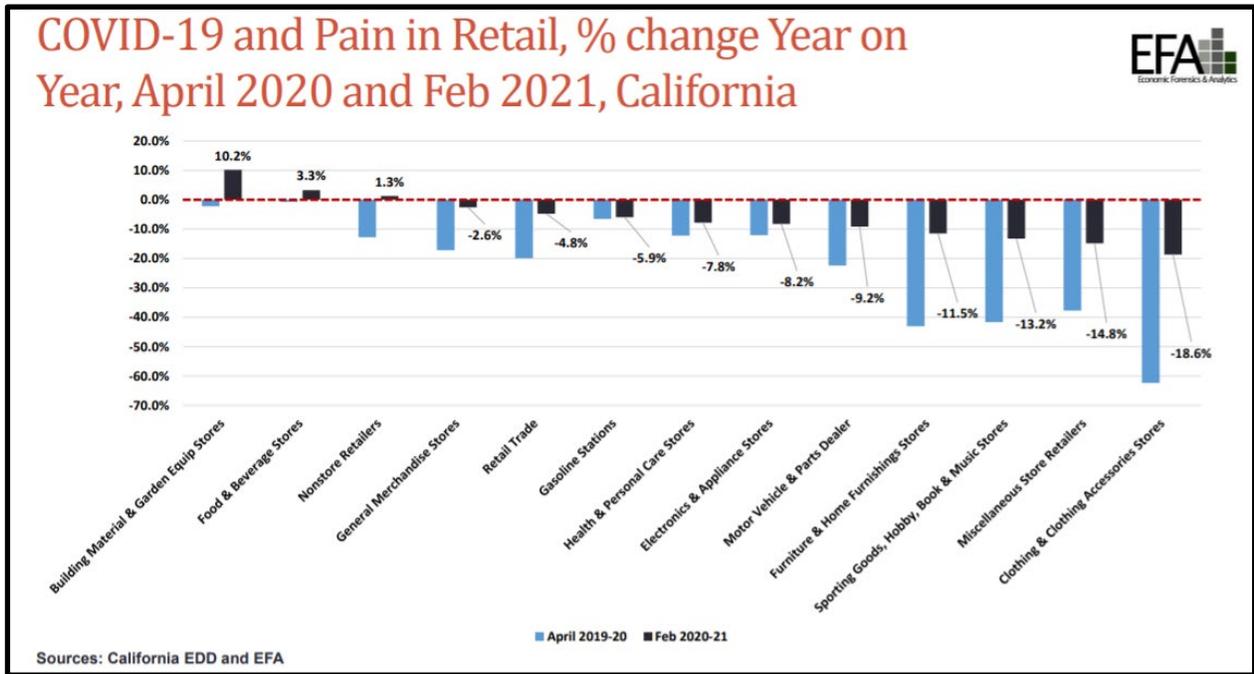


Figure 2

Unlike the Retail sector, Hospitality was hit hard by COVID-19, with no job growth, and severe job loss, as can be seen in Figure 3. In contrast to Retail, many workers in the Hospitality sector rely on the travel industry, and the continuous movement of state and global tourists. With social distancing measures and the travel industry at an all-time low, Hospitality jobs were massively impacted.

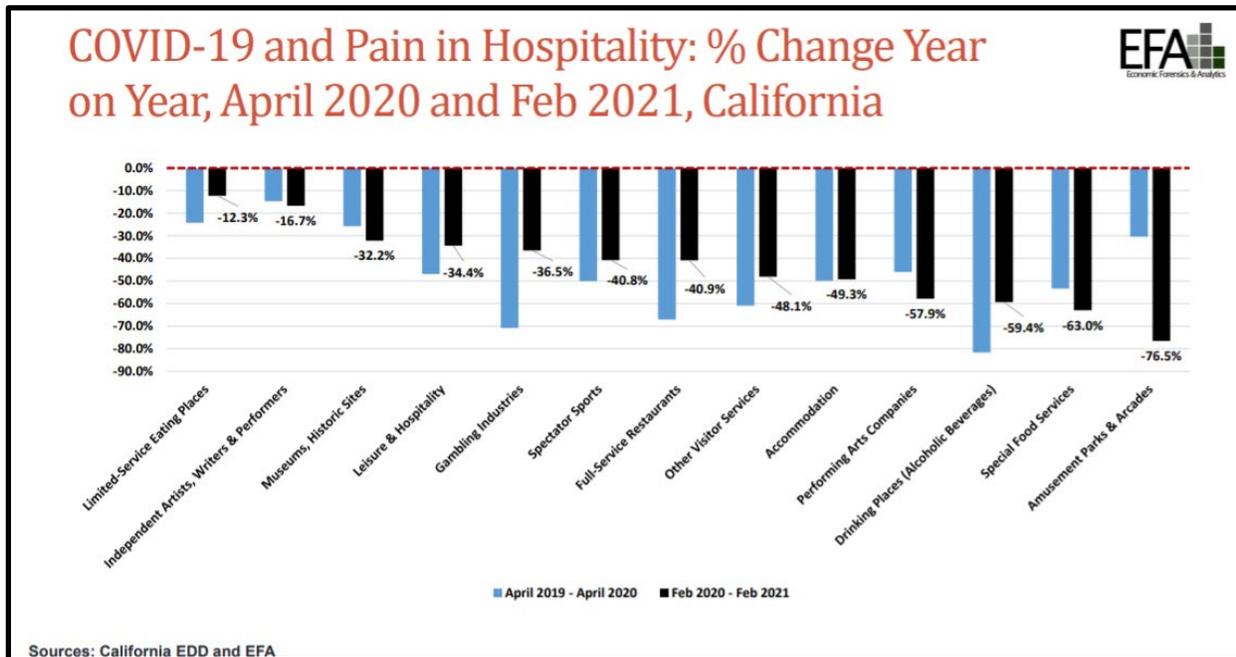


Figure 3

Despite the unemployment, business upheaval and pivoting that occurred as a result of the COVID-19 pandemic, there are opportunities for retail and hospitality employees in the future. Workers in these industries who have lost jobs which may not return may have the opportunity to retrain on different skills, and pursue a career path in an alternative sector. Certain industries like construction and manufacturing have stayed strong throughout the course of the pandemic, and it may be easy for workers with an RHT background to retrain into these fields, and attain a job that is more stable. Additionally, warehousing may become the new brick-and-mortar retail workplace, and may prove to be an easy swap for retail workers. However, this industry switch and learning of new tools and technologies may pose a challenge to older workers who have built their livelihoods off of using retail or restaurants as an income source.

The past year has been grim for those working in the RHT industry, but Summer 2021 hints at big changes for restaurant and retail, with travel picking up in 2022-2023 on the business and international side. Pre-COVID-19 travel spending within the United States is expected to return to normal levels by 2024, and should be bolstered by a projected increase of international travelers to the U.S. in 2025. Dr. Eyer notes that other factors like fiscal stimulus and increased vaccination rates will improve travel forecasts, and speed up economic recovery.

## Conclusion

This advisory ended on a positive note, after hearing promising projections from Mike Testa of Visit Sacramento and Dr. Eyer, along with accounts of resiliency and adaptability from industry representatives. Host Josh Sweigert encouraged panelists and attendees to reach out for opportunities to partner, and provided his contact information, listed here:

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