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Authors

Kirschenbaum, Josh
Giordano, Lorraine

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Josh Kirschenbaum

Institute of Urban and Regional Development

and

Lorraine Giordano, Ph.D.

East Bay Conversion and Reinvestment Commission

with research assistance from:

Dave Jones, State of California Employment Development Department

Hong Lin, University of California, Berkeley

Keith Labnow, University of California, Berkeley

University of California at Berkeley
Institute of Urban and Regional Development

EMPLOYMENT ANALYSIS OF EAST BAY MILITARY BASE CIVILIAN EMPLOYEES

Josh Kirschenbaum, Institute of Urban and Regional Development
Lorraine Giordano, East Bay Conversion and Reinvestment Commission

INTRODUCTION/SUMMARY FINDINGS

This report is a data presentation and preliminary analysis of the reemployment activities of 14,873 civilian workers who were dislocated as a result of six military base closures in two counties in the San Francisco Bay Area.¹ It documents the employment status of these workers in 1997 after several years of layoffs, which occurred between 1993 and 1997. Initial findings suggest that this population encountered difficulties finding new employment outside of the federal government in the wake of base closure. Civilian workers, who were able to secure another federal position, fared significantly better than their counterparts who found work in the private sector or were not employed.²

At the time of this analysis in 1997, the former civilian workers had three possible employment outcomes after being dislocated from closing military bases: (1) retain federal employment at another location,³ (2) employment in the private sector,⁴ or (3) not currently employed.⁵ Please see Table 1.

Given the challenges confronting the workforce to find employment in similar occupations with comparable wages, securing another federal position was the best option for many of the employees. As noted in Table 1, 40 percent of the workforce was able to find employment in new federal positions. This

Table 1: Employment Outcomes of the Civilian Workforce (1997)⁶

	Federal	Private	Not Employed⁷	Total
Employees	5,957	2,529	6,387	14,873
	40%	17%	43%	

employment permitted most of the workers to find jobs that utilized their existing skills and paid comparable wages.

In fact, the wages for over 1,000 of these employees increased between 1993 and 1997. The only drawback to securing another federal position was that 65 percent of these new jobs were located outside of the two counties that contained the base jobs.

The private sector provided employment for only a small percentage (17 percent) of the workforce. Civilian workers, employed in the private sector, have found themselves working in a different mix of industries, earning reduced wages and working for multiple employers. Sixteen percent of the jobs were in manufacturing industries, where almost 60 percent of the civilian workforce were working in production jobs at the bases. Most of the private sector jobs provided wages well below those of the positions at the

military bases, as only 31 percent of the private sector jobs paid wages of at least \$30,000 a year. Also, in the private sector, 42 percent of the civilians found themselves working for more than one employer in the year preceding the study.

At the time of this analysis, 43 percent of the workforce was not employed. It is difficult to predict how many of these workers are actually unemployed, since many of the workers received separation incentives and partial or full retirement benefits. These subsidies have extended the length of time some of the workers have remained out of the workforce. However, in 1997, 21 percent of this group had active unemployment insurance claims with the state of California and 26 percent had exhausted their claims. The remaining 53 percent had not filed a claim with the state.

In support of these key findings, this study provides a closer examination of three variables (occupation, wage, and job location) for the three employment outcomes. Each of these variables highlights significant factors of the worker transition experience. Changes in occupation are critical for the base workers, since finding new work outside of the military bases might require skill upgrades and training. Many of the workers possess only a high school degree and have acquired many of their skills “on the job;” and few of the jobs offered in the private sector require the skills that were necessary to support military operations. With few jobs available that can utilize the skills of the civilian workforce, it will be difficult for the workforce to find comparable wages in the private sector. The average annual wage for the employees was approximately \$40,000, which was roughly equal to the regional household annual income at the time of separation. Finally, if the workers are able to find employment in the private sector, there is no guarantee that it will be located in the same region.

The demographic and employment characteristics of the workforce were also reviewed to determine whether any of these characteristics had an impact on the employment outcomes. These characteristics included the workforce’s education attainment, age, occupation at the military bases, annual wage at the military bases, ethnicity, and gender. Education attainment and age had the greatest impact on the employment outcomes. Workers who had four-year college degrees and advanced degrees were able to find new jobs with the federal government at a higher rate than their counterparts who had less years of formal education. The older cohorts of employees had the lowest placement rates both in the federal government and in the private sector.⁸ Occupation at the military bases, wage at the military bases, ethnicity, and gender played a minimal role in the employment outcomes for the workforce.

The following report provides the data and detailed analyses that support the key findings mentioned above. As an introduction to the data, a brief review of the layoffs associated with base closures and an overview of the demographic and employment characteristics of the workforce are provided. Findings are then presented in three sections for the overall employment outcomes. These sections include (1) general employment placement, (2) details of federal, private, and “not employed” placements, and (3) demographic and employment characteristics in relation to outcomes.

DOWNSIZING AT MILITARY BASES

The massive military buildup at the onset of World War II and the continuation of defense spending to support the Cold War created thousands of federally supported, civilian jobs at military bases around the country. Until the recent rounds of base closure, these jobs were considered secure sources of employment for several generations of civilian employees. In fact, the United States was home to 495 bases employing over 600,000 civilian workers prior to the recent rounds of base closure. With the onset of over 100 major base closures since 1988, the security of civilian employment at military bases has waned, as approximately 75,000 civilian positions are being eliminated at the closing bases. With little information available on the fate of these employees, this study examines the employment implications of the layoffs for the civilian workforce at six bases designated for closure in two counties of the San Francisco Bay Area.

Starting in the mid-1970s, large-scale industrial and corporate downsizing have become commonplace, as corporations closed aging facilities, shipped jobs overseas, and consolidated operations. The layoffs associated with military base closures represent one of the final chapters in the contemporary saga of deindustrialization and corporate downsizing. Now, as many private sector workers have done in the past, thousands of civilian employees are forced to find new employment outside of the federal government, as the Department of Defense streamlines its infrastructure.

Communities, which have come to depend upon the jobs created by the government, have expressed concern over the fate of the employees and their ability to secure good jobs with sustainable wages within the regional economy. It is not surprising, then, at the onset of a base closure, there are dire predictions of massive worker dislocation and economic loss. Many hypotheses have been postulated about unemployment rates, wage and occupation shifts, and the location of new employment for these former base workers, but little hard data have been available to support these predictions. In turn, employment outcomes after base closure for the civilian workforce have remained a mystery for the last decade.

Prior to this study, the employment status of dislocated civilian base workers had not been measured in a comprehensive manner. This study provides one of the first such analyses and documents the transition experience of approximately 15,000 civilian base workers. The findings contained herein are preliminary and should be viewed as interim results, since the analysis was conducted in 1997 after several years of layoffs, which occurred between 1993 and 1997. A follow-up study is needed to determine the longer-term effects. Nevertheless, these data provide an initial view of post-base closure employment activities, which indicate that only a small percentage of the civilians have found employment outside of the federal government.

BACKGROUND ON THE CIVILIAN WORKFORCE

The demographic and occupation characteristics of the civilian workforce employed at the East Bay military bases can be considered uncommon, when compared to the regional or national workforce. The workforce can be broadly defined as ethnically diverse, male, older, having low levels of formal education, maintaining long terms of federal service tenure, having blue collar occupations, and maintaining significant

wages. These characteristics describe a workforce that is ahead of its time in terms of diversity and compensation; and one that is behind current workforce trends in that it is predominantly male, with low levels of education attainment, and is dominated by blue collar occupations. While 25 percent of the workforce in the San Francisco Bay Area are people of color, they represent 40 percent of the civilian base worker population. Eighty percent of the workers are men, which can likely be attributed to the industrial nature of the work at most of the six bases, as 60 percent of the workforce was employed in blue collar occupations. Forty percent of the workforce is between 45 and 54 years old, and the median length of federal employment is 16 years. Forty-five percent of the workers have a high school degree or less. The median salary of the workforce is \$40,000 a year, which is almost equal to an average household's income in these two counties.⁹

The job-specific nature of the skills possessed by many of the base workers may be a significant contributor to the difficulties encountered by this population in finding employment and comparable wages in the regional economy. Two of the largest facilities in this study were home to military aircraft maintenance and shipbuilding; and the civilian workforce mastered a unique set of production and maintenance skills that are not necessarily required in the private sector. As noted in Table 2, a majority of the top occupations at the bases are comprised of blue-collar occupations. The current regional economy offers few jobs requiring such skills. Even workers providing technical, clerical, and custodial support to the base operations may also be expected to upgrade their skills in order to be employed in the private sector. Given the numerous challenges confronting the workforce on the basis of skills alone, it is not surprising that this workforce is experiencing difficulty in finding employment in the present economy.

Table 2: Top Occupations of East Bay Military Bases (1993)

Base	Occupation	Employees
Mare Island	Marine Machine Mechanic	391
	Pipefitting	358
Alameda NAS	Sheet Metal Mechanic	262
	Production Control	213
Oak Knoll Hospital	Medical Clerk	74
	Secretary	59
Public Works Center	Pipefitting	120
	Electrician	78
Oakland Army Base ¹⁰	Transportation Clerk	72
	Traffic Management	54

FINDINGS

Employment and Placement in a National Context

The post-base-closure employment outcomes for the civilian workforce are rather discouraging for the time period immediately following base closure. Civilian employees who maintained their employment with

the federal government through Priority Placement and placement in other federal agencies fared much better than their counterparts who were laid off. For the overall workforce, 40 percent of the employees retained federal employment, 17 percent found jobs in the private sector, and 43 percent were not employed in 1997.¹¹

A national study of dislocated workers in the United States conducted by the Department of Labor’s Bureau of Labor Statistics provides a context for comparing the unique transition and reemployment experience of the employees at the six Bay Area military bases.¹² This report examines the reemployment experience in early 1996 of 2.4 million workers who lost their jobs between 1993 and 1994 in the United States. The BLS study covers the roughly the same time period as our analysis of the civilian workforce. Workers included in the BLS study were displaced between 1993 and 1994, where workers in our analysis were displaced between 1993 and 1997. The BLS analysis was conducted in early 1996, giving the workers about a year and a half to find work. In our study of the civilian workers in 1997, the workers had between one and four years to find employment.¹³ Essentially, both studies document worker placement shortly after the workforce was displaced.

For the nation’s dislocated workforce, only 21 percent was out of the workforce at the time of the study, and it was determined that only 7 percent were actually unemployed. These short-term placement rates are encouraging, and much of the success can be attributed to a robust national economy. While our findings suggest a less rosy picture (43 percent were out of the workforce at the time of the study), a future follow-up analysis may provide more recent evidence of successful re-employment for those listed as not employed.

For the civilian workforce included in this study, the low reemployment rates are quite alarming. Compared with the Department of Labor’s Bureau of Labor Statistics report on placement rates of 2.4 million workers, the Bay Area’s civilian workforce’s reemployment experience appears to highlight the difficulties encountered in finding work after base closure. Seventy-nine percent of the BLS population found work by the time of the study in 1996, where only 57 percent of the civilian workforce found work at the time of this study in 1997. The national placement rate was 22 percentage points higher than that for the overall dislocated civilian population, which includes those workers who were able to secure federal employment at other facilities after base closure.¹⁴

A discussion of the method of separation from the federal government is useful for understanding the employment challenges faced by the base workers. For our analysis, three separation mechanisms were reviewed. The mechanisms include resignation, termination, and retirement. Workers separated from the federal government had two possible outcomes in 1997 — finding private sector employment or becoming

Table 3: Job Placement Rates

Study	Percent
BLS Study	79 %
East Bay Bases	57 %

unemployed. The 1,630 workers who voluntarily resigned from the federal government fared much better than their counterparts who were terminated or retired. Half of those workers who resigned found employment in the private sector and the other half remained unemployed. The group of terminated workers (2,858) had a more difficult time finding employment, and only 26 percent found jobs in the private sector. Also, a majority of the workers who retired from the federal government (3,608) were not employed, as 76 percent of the group were without jobs in 1997.^{15,16}

Detailed Analysis of Placement: Federal, Private Sector, and Not Employed

For each of the three employment outcomes (federal, private sector, and not employed), the 1997 occupation, wage, and job location variables are compared to the same variables collected in 1993, when the workforce was employed at the military bases. Each of these variables highlights significant factors of the worker transition experience. Occupation change is critical factor for many base workers, since the private sector might not offer jobs that demand similar skills required to support military operations at the bases. If few jobs are available that can utilize these skills, it will be difficult for the workforce to find comparable jobs and wages in the private sector. Finally, if the workers are able to find employment in the private sector, there is no guarantee that it will be located in the same region.

Federal

Almost all of the dislocated workers who found new jobs in the federal government did not see a great change in their occupation or annual wage. As illustrated in Table 4, the variation in the distribution of occupations from 1993 to 1997 was minimal. This table shows that a majority of the workers were employed in similar occupations in their new federal jobs. A similar trend is indicated in the annual wage comparisons between the same two time periods. In fact, over 1,000 of the workers who retained federal employment saw their annual wages increase between 1993 and 1997 (see Table 5). There were almost 700 more workers in the \$40,000 to \$50,000 cohort and over 500 more workers in the \$50,000 and above cohort in 1997 than there were in 1993. Since the annual wages were not corrected for inflation, some of the increases would be expected, if the workers were collecting annual cost-of-living wage adjustments.

The location of the federal jobs after base closure suggests a less optimistic scenario for job retention in the Bay Area. Table 6 shows how many of these jobs in 1997 were not in the same county as they

Table 4: Federal Employees: Occupation Change

Occupation Categories	1993	1997
Production	2,540	2,667
Professional / Technical	1,922	1,872
Clerical	1,027	1,005
Custodial Maintenance	328	410

Table 5: Federal Employees: Annual Wage Change

Wage	1993	1997
Under \$10,000	9	8
\$10,001 - \$20,000	166	41
\$20,001 - \$30,000	1,494	1,300
\$30,001 - \$40,000	2,397	1,195
\$40,001 - \$50,000	1,382	2,073
\$50,000 +	509	1,271

were in 1993. Alameda County still retained a fair share of jobs, but many of these jobs were at the Oakland Army base, which is only in the early phases of closure. In 1997 Solano County only had 8 percent of the total jobs, where it had over 40 percent in 1993. In fact, the nine-county San Francisco Bay Area was home to only 45 percent of the federal jobs in 1997 where, in 1993, 100 percent of the jobs were in two counties. Twenty-eight percent of the federal positions were located out of the Bay Area region, and over a quarter of the federal positions were located out of the state.

Table 6: Federal Employees: Employment Location Change

County	1993		1997	
Alameda	8,938	60%	1,614 ¹⁷	27%
Solano	5,935	40%	485	8%
San Francisco	-		224	4%
Contra Costa	-		164	3%
Santa Clara	-		78	1%
Marin	-		77	1%
San Mateo	-		40	1%
Bay Area	14,873	100%	2,682	45%
Other Counties	-		1,648	28%
Out of California	-		1,627	27%
TOTAL	14,783	100%	5,957	100%

On the basis of occupation and wage, the group of dislocated workers who retained federal employment could be considered fairly successful in their transition. However, with 55 percent of the jobs located outside of the region, and 65 percent of the jobs outside of the two counties that were originally home to all of the jobs, the geographic context must be considered. Of the 5,957 jobs found in the federal sector, only 2,682 were in the Bay Area. With over half of the jobs located out of the region, many workers and their families had to relocate to retain their federal positions. Not only do these geographic shifts in employment location affect the local economies, but families have been forced to move, severing community ties. In turn,

these communities and neighborhoods have lost residents who have contributed to its social and economic stability.

Private Sector

The dislocated workers who found themselves employed in the private sector experienced a more difficult transition than their counterparts who were retained by the federal government. Civilian workers who have located jobs in the private sector have found themselves working in a different mix of industries, earning reduced wages, and working for multiple employers. Prior to the layoffs of the civilian employees, there was much speculation that significant numbers of the workers would find jobs in the private sector. As evidenced by only 17 percent of the entire workforce finding private sector employment, this outcome has not yet provided a secure and stable alternative in any particular industry. Since some of the workers have had less than a year to find employment, it is difficult to conclude how well the private sector is as an employment option for the dislocated workers.

Table 7 illustrates the private sector placements in 1997 by the year of dislocation. This table does not include the workers who retained federal positions at other facilities, as they would be considered employed. The table shows that there is little variation for private sector placement based on the year of separation from the military, in comparison with the overall placement rate of 28 percent. It would be expected that for the earlier years of separation there would be higher placement rates in the private sector, since the employees would have had more time to look for work.

Table 7: Worker Dislocation by Year (Workers not employed in the federal sector)

Year	Total Dislocation	Private Sector Employment	Percent Placed in Private Sector
1993	800	267	33%
1994	1642	564	34%
1995	2561	915	35%
1996	2108	541	26%
1997	1262	52	4%
Total	8,373	2,399	28%

As evidenced by the challenging reemployment process faced by dislocated manufacturing workers over the last 30 years, it is not surprising that we found a significant reduction in the number of manufacturing jobs held by the dislocated civilians working in the private sector. Table 8 highlights how only 16 percent of all of the private sector employees were employed in manufacturing industries, where almost 40 percent of the employees were employed in service/health industries. This percentage indicates that only one in three of the private sector civilian employees were employed in manufacturing, where almost two in three were working in manufacturing occupations for the military. This finding supports the hypothesis that

the federal civilian workers in manufacturing occupations are confronting challenges in finding employment outside of military bases in occupations in which they were trained.

Table 8: Private Sector Employees: Occupation Change

1993 Occupation Mix			1997 Industry Mix		
Occupation Categories			Industries		
Production	1,414	56%	Manufacturing	403	16%
Clerical	618	25%	Mining/Construction	181	7%
Professional	349	14%	Transportation	338	13%
Service/Maintenance	115	5%	Wholesale Trade	325	13%
			Government	285	11%
			FIRE	77	3%
			Health Education	424	18%
			Service	480	19%

In addition to finding significant differences in occupations in the private sector, the dislocated civilian workforce experienced notable reductions in their annual earnings.¹⁸ Table 9 illustrates that the private sector jobs provided annual wages of over \$30,000 for only 31 percent of the workforce in 1997, where 77 percent of the same workforce earned annual wages over \$30,000 at the military bases in 1993. A majority (53 percent) of the private sector jobs provided annual salaries under \$20,000. This is a sharp contrast to the wages paid by the federal government, as only 8 percent of the workforce had earnings under \$20,000 a year.

Table 9: Private Sector Employees: Annual Wage Change

Wage	1993		1997	
Less than \$10,000	104	4%	567	23%
\$10,001 - \$20,000	110	4%	709	28%
\$20,001 - \$30,000	394	16%	446	18%
\$30,001 - \$40,000	1,087	44%	309	13%
\$40,001 - \$50,000	626	25%	216	8%
\$50,000 +	208	8%	281	11%

Job security was another positive attribute of federal employment at the military bases that was lost for the workers who found jobs in the private sector. The average tenure for the federal jobs was 16 years, and for many base workers, the federal government may have been their sole employer. During 1997 alone, only 58 percent of the private sector employees had only one employer. The remaining workers had more than one employer, with 16 percent having more than two employers in a single year (see Table 10).

**Table 10: Private Sector Employees: Number of Employers
in Last Year (1997)**

Employers	Employees	Percent
1	1,462	58%
2	672	26%
3	249	10%
4 +	144	6%

Not Employed

The previous observations for the workers who found jobs in the private sector illustrated that the private sector did not offer many opportunities for the dislocated workers. At the time these data were collected, 43 percent of the overall workforce (6,387) was not employed.¹⁹

Table 11 provides an overview of the 1993 wage and occupation distribution for the cohort that was not employed in 1997. A majority of these employees were production workers who earned significant wages as federal employees at the military bases. In fact, a majority of the workforce that was not employed at the time of this study was earning annual wages greater than \$30,000 in 1993.

Table 11: Not Employed: 1993 Wage and Occupation

Wage		Occupation	
Under \$10,000	201	Production	3,231
\$10,001 - \$20,000	215	Clerical	1,165
\$20,001 - \$30,000	1,409	Professional	1,588
\$30,001 - \$40,000	2,752	Service/Maintenance	328
\$40,001 - \$50,000	1,239		
\$50,000 +	571		

For almost half of the civilian workers who were listed as not employed in 1997, the loss of income was partially offset by several sources of income. Some of the workers received incentives for an early separation, others had partial and full retirement packages, and for the remaining there were unemployment insurance benefits. Early separation incentives and retirement packages account for the extended periods of unemployment experienced by some of the workers. Many of the workers have taken a hiatus from seeking employment with the security of the incentives and retirement packages. However, these benefits are not substantial enough to maintain a standard of living equal to that supported by the federal jobs for long periods of time.

Almost half of the “not employed” workforce (47 percent) had applied for unemployment benefits by 1997. As noted in Table 12, 21 percent (1,340) had active claims and 26 percent (1,695) had exhausted their claims. Table 13 highlights the date of claim initiation for those workers who have active or exhausted

claims. Thirty-four percent of the claims were initiated prior to 1995, 38 percent were initiated in the first half of 1996, and remaining claims were initiated in the latter half of 1996 and 1997. Fifty-three percent of the workforce had not applied for unemployment benefits at the time of the study.

Table 12: Not Employed: Claim Status as of December 1997

Status	Employees	Percent
Active Claim	1,340	21%
Exhausted Claim	1,695	26%
Did Not File	3,476	53%

Table 13: Not Employed: Date of UI Claim Initiation

Date	Employees	Percent
January 1995 – June 1995	301	10%
July 1995 – December 1995	731	24%
January 1996 – June 1996	1,127	38%
July 1996 – December 1996	345	11%
January 1997 – December 1997	809	27%

Table 14 illustrates the county of unemployment insurance claim initiation. A majority of the claims (73 percent) were initiated in Alameda and Solano counties, where the jobs with the military were located. The remaining 27 percent of the claims were located in the other nine counties that comprise the Bay Area.²⁰

Table 14: Not Employed: County of UI Claim Origination

County	Employees	Percent
Alameda	1,131	38%
Solano	1,064	35%
Contra Costa	384	13%
Napa	186	6%
San Francisco	81	3%
Sonoma	64	2%
San Mateo	53	2%
Marin	26	1%
Santa Clara	21	1%

At the time of this analysis, the number of employment options for those workers who were not employed is difficult to discern, given the many reasons for delaying job searches. The findings suggest that workers are delaying their entry to the job market or cannot find comparable work.

Analysis of Demographic Employment Characteristics

In support of these key findings, we examined the demographic and employment characteristics of the workforce prior to the downsizing efforts to interpret whether any of these characteristics had an impact on the overall employment outcomes. These characteristics included the workforce's ethnicity, gender, age, education attainment, occupation at the military bases, and annual wage at the military bases.

In addition to examining the details of wage, occupation, and job location for each of the three employment outcomes, we conducted an analysis of the employment outcomes for several demographic and employment characteristics of the workforce. The following tables and discussion examine the 1997 employment outcomes by education attainment, age, occupation, wage, ethnicity, and gender to determine if any of these variables had an impact on the outcomes. The analysis demonstrates that for a majority of the variables, the employment outcomes remained consistent with the employment outcomes for the entire population of dislocated workers, where 40 percent found work at other federal jobs, 17 percent found private sector employment and 43 percent were not employed. Education attainment and age had the greatest impact on the employment outcomes. Workers who had four-year college degrees and advanced degrees were able to find new jobs with the federal government at a higher rate than their counterparts who had less formal education. The older cohorts of employees had the lowest placement rates in both the federal government and in the private sector. Occupation at the military bases, wages at the military bases, ethnicity, and gender played a minimal role in the employment outcomes for the workforce.

Educational Attainment

Educational attainment appears to have a significant effect on the employment outcomes. Table 15 shows that a majority of the dislocated population had a high school degree or less, which is noteworthy, as the average annual wage for the workforce at the bases was roughly equal to that of a household in the region. While a majority of the workforce only has a high school degree, many workers have taken advantage of internal DoD training. Much of this internal training has provided the workforce with a set of advanced technical skills for conducting work for the military and occupational mobility, which contributed to the wages earned at the bases by this population. Unfortunately, few of these skills will be helpful in securing private sector employment in similar occupations and wages.

Even though the outcome percentages for those workers with only a high school degree are similar to that of the overall population, 55 percent of all of the workers who are not employed have little formal education past high school. In contrast, the workers with four-year degrees and advanced graduate degrees enjoyed high placement rates with the federal government. Fifty-three percent of the workers with four-year degrees and 50 percent of the workers with advanced degrees found work with the federal government.

Table 15: Employment Status (1997) by Education

Education	Federal	Private	Not Employed	Total
High School	2,968	1,382	3,537	7,887
	38%	18%	44%	
High School +	1,218	507	1,236	2,961
	41%	17%	42%	
AA/AS	489	245	588	1,322
	37%	19%	44%	
BA/BS	1,013	254	646	1,913
	53%	13%	34%	
ADV DGR	156	46	108	310
	50%	15%	35%	

Age

As suggested in Table 16, age also appears to have a significant impact on employment outcomes for the dislocated civilian workers. Approximately 65 percent of the workforce (9,878 employees) were between 36 and 55 years old. Forty-five percent of this cohort found jobs in the federal government, where 16 percent found private sector jobs and 39 percent were not employed. Compared to the overall population, this age group had better placement in the federal government. The most drastic placement variations were seen for the older cohorts. Even though these cohorts had fewer employees than the younger groups, their employment outcomes were heavily weighted towards not being employed. Seventy-one percent of workers between 56 and 65 years old were not employed and 87 percent of the workers over 65 were not employed.²¹

Table 16: Employment Status (1997) by Age

Age	Federal	Private	Not Employed	Total
15 - 35	1,223	686	1,201	2,930
	42%	23%	35%	
36 - 55	4,423	1,602	3,853	9,878
	45%	16%	39%	
56 - 65	279	231	1,254	1,764
	16%	13%	71%	
65 +	32	10	268	310
	10%	3%	87%	

Occupation

Surprisingly, there was little variation in outcomes among the four occupational categories and each of the four occupations had similar employment outcomes, as did the overall population. Production workers comprise almost 60 percent of the entire dislocated population and were the least represented in federal reemployment. Only 36 percent of the production workers found employment in the federal sector, where at least 40 percent of the professional, clerical, and maintenance workers were retained by the federal government. Table 19 highlights the employment outcomes by occupation.

Table 17: Employment Status (1997) by Occupation (1993)

Category	Federal	Private	Not Employed	Total
Production	2,667 36%	1,414 19%	3,231 45%	7,312
Professional Technical	1,872 46%	618 15%	1,588 39%	4,078
Clerical	1,005 40%	349 14%	1,165 46%	2,519
Custodial/ Maintenance	410 48%	115 13%	328 38%	853

Annual Wage

Annual wage appears to have a minimal impact on the employment outcomes. There was little variation among the six wage categories, as noted in Table 18. All six cohorts demonstrated comparable

Table 18: Employment Status (1997) by Annual Wage (1993)

	Federal	Private	Not Employed	Total
Under \$10,000	9 3%	104 33%	201 64%	314
\$10,001 - \$20,000	166 34%	110 22%	215 44%	491
\$20,001 - \$30,000	1,494 46%	394 12%	1,409 52%	3,236
\$30,001 - \$40,000	2,397 38%	1,087 17%	2,752 45%	6,236
\$40,001 - \$50,000	1,382 43%	626 19%	1,239 38%	3,247
\$50,000 +	509 40%	208 16%	571 44%	1,288

outcomes to the overall population. The only wage group that demonstrated atypical characteristics was the group earning between \$20,000 and \$30,000 a year. This cohort had both high placements in the federal government (46 percent) and a high "not employed" outcome (52 percent).

Race and Gender

Race and gender appear to have little influence on the employment outcomes. As noted in Table 19, people of color had a similar distribution of employment outcomes to the white cohort, and both enjoyed similar outcome distributions compared to the entire worker population. This encouraging finding suggests that there appears to be little discrimination in employment outcomes based solely on race. The outcome profiles for gender had a greater discrepancy. Forty-seven percent of the female workers found themselves not employed in 1997, where only 41 percent of the male population were not employed. In addition, the female workers had lower placement rates than the males in federal and private sector jobs (Table 20). These findings must be buffered by the fact that men comprise a majority of the total dislocated workforce (75 percent), which can be attributed to the high percentage of men in durable goods occupations found at these military bases.

Table 19: Employment Status (1997) by Ethnicity

	Federal	Private	Not Employed	Total
Persons of Color	2,493 40%	1,043 16%	2,928 44%	6,464
White	3,464 41%	1,486 18%	3,459 41%	8,409

Table 20: Employment Status (1997) by Gender

	Federal	Private	Not Employed	Total
Female	1,430 38%	566 15%	1,747 47%	3,743
Male	4,527 41%	1,963 18%	4,640 41%	11,130

CONCLUSION

Civilian base workers, their families, and communities have benefited from long-term, stable, well-paid employment by the Department of Defense. As an employer, the DoD has provided a means for upward mobility and skills training for thousands of workers without advanced degrees, who have availed themselves of internal training programs and opportunities for promotions. However, our initial findings suggest that the advanced training and occupations required by the military appears to have little bearing on finding comparable employment opportunities outside of the federal government. These findings are only

preliminary, and further studies are needed to reveal to what extent the regional economy will be able to absorb workers seeking employment in the private sector.

The preliminary findings contained in this report indicate that civilian base workers have encountered difficulties securing employment outside of the federal government after being separated from their jobs at six military bases in northern California. At the time of this analysis in 1997, 40 percent of the workforce was employed by the federal government at new facilities, 17 percent of the population was employed in the private sector, and 43 percent of the workforce was not employed. Given the low employment rates in the private sector and the high percentage of workers who were not employed at the time of the study, transferring to new federal jobs was a positive alternative for many of the employees. In addition, these workers fared significantly better, in terms of wage and occupation, than their counterparts who found work in the private sector or were not employed.

Given the numerous hurdles confronting the civilian workforce in finding private sector employment, securing another federal position was the best option for many of the employees. The Department of Defense's Priority Placement Program assisted almost 5,500 workers to locate new jobs at other military bases around the country. Most of these jobs provided employment in similar occupations with comparable wages to the original jobs at the military bases prior to closure. In addition, maintaining employment with the federal government permitted the workers to maintain their federal benefits. The only drawback to these jobs was that over half of the jobs were located outside of the region containing the original base jobs.

For many dislocated civilian employees, finding work outside of the federal government in similar occupations with comparable wages was a daunting task. A majority of these employees had acquired skills and expertise on the job and were well compensated for their work at the closing military bases. On average, the civilian employees earned annual wages that were roughly equal to an entire household income for jobs that required only high school degrees. Also, the industry-specific nature of the skills possessed by the workforce may have presented additional challenges in finding employment in the private sector that could utilize skills once needed by the military. At the time of this analysis, only 17 percent of the workforce was employed in the private sector. These workers have found themselves working in a different mix of industries, earning reduced wages, and working for multiple employers.

The largest cohort of workers (43 percent or 6,387 employees) was not employed at the time of the analysis in 1997. Many of these workers received some type of separation or early retirement benefits, which partially account for the extended length of time they were able to remain out of the workforce. A small percentage was also eligible for full retirement. However, for most of the workers, separation funds will be depleted and the workers will be forced to find new employment. Already, almost 50 percent of the employees who are not employed have applied for unemployment insurance, and half of this group have exhausted their claims for unemployment insurance. These findings indicate that significant numbers of workers are seeking employment and have yet to find jobs. If the private sector experience is any

indication of the difficulties in finding new jobs that are comparable in occupation and wage to the base jobs, this cohort of workers will continue to have a hard time finding work in the private sector.

The preliminary findings contained in this study raise many issues and concerns that must be addressed before hard conclusions can be drawn about the dislocated workforce. The results presented here offer insights into the magnitude of the challenges confronting dislocated civilian workers in the wake of base closure, but future research is needed to fully understand the employment transition experience of the 15,000 dislocated workers. Based on this initial analysis, several areas of future investigation are highlighted.

- Time is a critical factor for understanding the true employment outcomes of the dislocated workforce. At the time of this study, approximately 40 percent of the workforce was separated from the military within a year of our analysis. Given the separation incentives received by most of the workers, it is not surprising that many of these workers would be not employed at the time of the investigation. A follow-up study in a year would provide more concrete findings on the employment outcomes, as all of the workers would have significant time to find employment, if it was available.
- A more detailed study of the retiree population is needed to fully understand what percent of the workforce that was considered not employed had actually retired. Many of the employees were entitled to partial retirement packages, which would have permitted them to delay their search for employment. In addition, several of the employees were entitled to full retirement packages, which would have provided enough income to remain out of the workforce. Many retirees or early retirees may have accepted employment at lower salaries than they received working for the federal government.
- An investigation of workplace culture is warranted to better understand the transition experience from the military to the private sector. The workplace culture of the military is much different than that of the private sector. Dislocated military base workers will be forced to confront workplace culture shifts, as well as occupation changes, when transitioning to the private sector. Workplace culture differences may affect placement of this population in the private sector.
- Workforce training programs will play a fundamental role in effectively developing workforce skills that will be competitive in the private sector. This study suggests that the dislocated civilian workforce maintains few skills that are needed by the private sector. Many workers are currently enrolled in training programs sponsored by the Private Industry Councils. An investigation of the number of participants and their placements in the private sector would broaden the findings of this study.
- An analysis of occupations which are the most difficult to place in the private sector is needed. This will help placement agencies develop specific programs for transitioning portions of the workforce that have been hard to place.
- An examination of continued wage differences between the occupations at the military bases and the private sector jobs would be useful for understanding the wage shifts in the transition process.
- An analysis of the future of the Department of Defense's Priority Placement Program would be useful for understanding one of the best employment options available to dislocated workers. With more base closings on the horizon, it will be critical to

understand the capacity of this program. It is likely that, without access to this program, many more dislocated civilian employees would not be employed.

NOTES

¹The bases include Mare Island Naval Shipyard, Alameda Naval Air Station (including the depot), Oak Knoll Naval Hospital, Oakland Army Base, the Naval Public Works Center, and the Naval Supply Center. The bases were designated for closure in 1993 and 1995.

²The Department of Defense provides a number of reemployment and separation options for civilian workers to consider for transition from a closing military base. The DoD provides: (1) an internal transfer program, Priority Placement Program, for workers interested in remaining employed with the DoD; (2) financial incentive packages for early retirement and separation incentive pay for those preferring to leave prior to layoff; (3) separation pay received upon layoff; and (4) full retirement benefits. Some bases contract with placement agencies, which also assist base workers to locate jobs in the private sector and federal government. In addition, the Department of Labor provides funds for dislocated workers under Title III through the Private Industry Councils, which includes training for new occupations or skill upgrades. California's Employment Development Department provides assistance with unemployment insurance claims and job placement.

³5,957 (40 percent) of the civilian employees were able to retain their federal positions. Almost 90 percent of this group found themselves working at other military bases around the country. Most of these jobs were found through the Department of Defense's Priority Placement Program. The remaining 8 percent found federal jobs outside of the Department of Defense.

⁴Includes 285 nonfederal government workers.

⁵This category includes: (1) workers who are unemployed and are receiving unemployment insurance benefits, (2) workers who are unemployed and have exhausted their unemployment insurance benefits, (3) workers who have retired (both full and partial), (4) workers enrolled in Private Industry Council training, (5) workers who are self-employed, (6) workers who have left the state, (7) workers not actively looking for work, and (8) workers who earn less than \$5,000 a year. This is not the conventional definition of unemployed, as some of the workers are not able and available for and actively seeking work.

⁶Table 1 provides the baseline totals for the three employment outcomes included in this study. Not all of the tables included in the analysis will contain the same totals, since multiple data sets were used to construct the database and the three outcomes categories used were not always mutually exclusive. Slight differences in the total counts of some of the tables can be attributed to these nuances. This is especially true for the private sector employees.

⁷Approximately 40 percent of the "not employed" workers received partial or full retirement.

⁸Some of these employees were eligible for full retirement and they would not be expected to be working at the time of the study.

⁹The Urban Habitat Program. 1995. "Reintegrating the Flatlands: A Regional Framework for Military Base Closures in the San Francisco Bay Area.."

¹⁰Data from 1996.

¹¹If the 40 percent of the workforce who were able to secure federal employment at other facilities are not considered dislocated, the employment outcomes for the 8,373 workers who were not placed at other federal facilities are grim. Of the 60 percent of the workforce not placed in federal positions, only 28 percent of these workers found jobs in the private sector, and 72 percent of the workers were not employed at the time of this analysis in 1997.

¹²Steven Hipple. 1997. "Worker Displacement in an Expanding Economy." *Monthly Labor Review*. (Bureau of Labor Statistics).

¹³*Worker Dislocation by Year (Workers not working in federal jobs)*

Year	Number	Percent
1993	800	10
1994	1,642	20
1995	2,561	31
1996	2,108	25
1997	1,262	14
Total	8,373	

¹⁴Part of the reason for the large discrepancies in the placements rates can be attributed to the fact that many of the dislocated civilian workers received separation incentives and partial retirement packages. These separation "bonuses" have permitted many civilians to remain out of the workforce for longer periods of time than their

counterparts in the national study. However, as noted in footnote 12, 60 percent of the “not employed” category of workers have been out of work for at least two years. In this time most, if not all, of the separation bonuses would have been exhausted.

¹⁵Retirement from the federal government includes workers that have acquired both full and partial retirement benefits.

¹⁶Since the retired workers are included in the unemployed cohort, a discussion of the true unemployment rate is warranted here. For this study 6,387 workers were not employed in 1997. For this study “not employed” was defined by EDD as not presently working at a job that pays more than \$5,000 a year at a company located in California. It is believed that up to 5 percent of this population is employed outside of the state and/or is self-employed and, therefore would not show up in the private sector database. In addition, the “not employed” figure does not include those eligible for retirement and those out of the workforce for other reasons than being unemployed. 2,742 (43%) of these workers were eligible for retirement at the time of base closure. However, only 268 of these workers were over 65 years old, which would make them eligible for full retirement and few workers had both 30 years of tenure with the government and were 50 years old, which would also qualify them for retirement. This suggests that only a fraction of those who retired have accrued enough benefits to maintain their current standard of living without at least part-time employment that would pay over \$5,000 annually. Based on these caveats, a conservative estimate of the true unemployment rate for the overall population would be around 30 percent or 4,500 employees. Compared with national and regional unemployment indicators under 5 percent, these unemployment rates are noteworthy. Please see footnote 5 for additional information.

¹⁷Includes the Oakland Army Base.

¹⁸For some of the workers a full year’s wage might not captured in the data, as the data assumes that the worker was employed for four quarters. However, many of these workers were employed for four quarters.

¹⁹Please see footnotes 5 and 16 for a complete definition of not employed.

²⁰Approximately 1,000 workers from the six bases lived in Contra Costa County, which lies between Alameda and Solano Counties.

²¹We can safely assume that those over 65 would not be in the workforce, as they would be entitled to full government retirement packages. Many of the workers between 56 and 65 are also eligible for partial or full retirement packages and might chose to retire from the workforce.

