

CHAPTER 6

JOB IMPACTS

Summary

Job impacts resulting from the RECLAIM program during Compliance Year 2002 continue to be negligible when compared to the overall employment in the Basin. Five facilities claimed the RECLAIM program caused a total of 112 job losses. Furthermore, four RECLAIM facilities shut down or went out of business during Compliance Year 2002. None of facilities attributed their ceasing operations in part to RECLAIM.

Background

AQMD staff has assessed RECLAIM's impacts on jobs in the regional economy each year of the program. The assessment for Compliance Year 2002 was performed by examining job data submitted by RECLAIM facilities as part of their Compliance Year 2002 Annual Permit Emissions Program (APEP) reports.

The Compliance Year 2002 APEP reports include the number of manufacturing, non-manufacturing, and sale of products jobs at each facility at the beginning of the compliance year. In addition to the numbers of jobs at the beginning of the compliance year, the APEP asks for the number of job increases and decreases (as opposed to the net change), which occurred during the compliance year, the extent to which any increase or decrease in the number of jobs was attributable to the RECLAIM program, and a brief explanation of the job increases or decreases attributed to RECLAIM.

Job Impacts

During Compliance Year 2002, a total of 122 facilities reported 10,118 overall job gains while a total of 152 facilities reported 16,518 overall job losses, which resulted in 6,400 net job losses for RECLAIM facilities in the Basin. This net job loss constituted about five percent of the overall RECLAIM facility employment (126,687 jobs). The information gathered from Compliance Year 2002 APEP forms regarding overall employment and RECLAIM job impacts are tabulated and summarized in Table 6-1.

Table 6-1 also shows that during Compliance Year 2002, 7,717 "Manufacturing" jobs and 156 "Sales of Products" jobs were lost (net). However, during the same period, 1,473 "Non-Manufacturing" jobs were added (net). Furthermore, four RECLAIM facilities shut down or went out of business during Compliance Year 2002. None of the facilities that shut down attributed their ceasing operations in part to RECLAIM.

Table 6-1
Job Impacts at RECLAIM Facilities During the 2001 Compliance Year

Description	Manufacture	Sales of Products	Non-Manufacture	Total
Initial Jobs	65,025	1,573	66,489	133,087
Overall Job Gain	4,365	70	5,683	10,118
Overall Job Loss	12,082	226	4,210	16,518
Final Jobs	57,308	1,417	67,962	126,687
Net Job Change	-7,717	-156	1,473	-6,400
Percent Job Change	-12%	-10%	2%	-4.81%
Facilities Reporting Job Gains	86	24	72	122
Facilities Reporting Job Losses	116	35	99	152

To properly assess RECLAIM's impact on jobs in the regional economy, AQMD staff has identified and reviewed the APEP forms from those facilities that reported job losses specifically due to the RECLAIM program. Five facilities indicated in their APEP forms that they experienced a total of 112 jobs lost due to RECLAIM. Out of the number of jobs lost, the majority of jobs (100) lost was reported by one company. When contacted for additional information, the company also attributed energy costs and increased worker's compensation costs as contributing factors to the job losses. The detailed information for facilities that reported job gains and losses in APEP forms for Compliance Year 2002 are summarized in Appendix E. The RECLAIM-related job losses are negligible when compared to the total number of jobs at RECLAIM facilities as listed in Table 6-1.

It should also be noted that the analysis of job impacts is confined to job gains and losses that occurred at RECLAIM facilities. It does not address jobs created or eliminated in the economy outside of RECLAIM facilities as a result of the RECLAIM program.