



# Fossil Fuel Layoff: The economic and employment effects of a refinery closure on workers in the Bay Area

Virginia Parks, PhD

Professor, University of California at Irvine

Ian Baran

PhD Student, University of California at Irvine

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# Background

- October 30, 2020: the Marathon refinery in Martinez, CA, shuts down
- Provides sightlines on process of energy transition and how a changing economy impacts workers
- With a grant from the State of California, Blue Green Alliance partners with UC Berkeley Labor Center: what can be learned from this shutdown?
- UCI professor Virginia Parks designs worker survey. [Report](#) released April 2023

# Employment Status: Excluding Retirees

Using formal labor statistics definitions -- counting only those who are actively participating in the labor force:

Unemployed	22.5%
Employed	77.5%

Unemployment rate including discouraged workers = **26%**



Wages

*On average, workers  
earning \$12 less per hour,  
or **24% less***

*Greater wage inequality*

## Hourly Wage Before and After Layoff

	<b>Marathon</b>	<b>Current Job</b>
Median	\$50.00	\$38.00
Lowest	\$30.00	\$14.00
Highest	\$68.00	\$69.00

# Sector of Re-Employment

Sector	% workers	Median Hourly Wage
Oil and Gas	28%	\$37
Utility/Energy (e.g., Energy, Wastewater, Water Processing, Steam)	19%	\$41
Chemical Treatment (e.g., Chemical and Industrial Agriculture)	12%	\$42
Manufacturing (e.g., Steel, Auto, Food)	9%	\$42
Emergency Services (e.g., Sheriff, Corrections Officer, Dispatcher, Firefighter, EMT)	6%	\$29
Laboratory/Biotechnology	4%	\$49
Transportation (Air & Rail)	4%	\$45
Construction/Civil Engineering	4%	\$42
Retail/Sales (e.g., Real Estate, Auto, Grocery)	3%	\$14
Electrical Distribution and Maintenance*	2%	--
Food Processing*	1%	--
City Maintenance*	1%	--
Miscellaneous (engineering services contractor, commercial driver, instrumentation/analyzer tech, mechanic, custodian, worship ministry director)	6%	\$29
* sample size too small to report wage		

# Current Union Status

## Current Job Covered by Union

Yes	43%
No	57%

## Sectoral Location of Union Jobs

Oil & Gas	53%
Utility	24%
Public Sector	13%
Building Trades	11%

# Quitting in Search of a Good Job

Number of Jobs Since Layoff	% Workers*
1	46.3%
2	30.5%
3	15.8%
4	1.2%
5	6.0%

\*Workers who have worked at least one job

54% have worked two or more jobs since layoff



# Reasons for Quitting

- Wage too low
- Limited opportunity to advance to position better matched to skill and experience, or a long wait to advance
- Working conditions:
  - Pace of work
  - Increased scope of responsibilities, especially for wage level
  - Non-union (lack of pay transparency, training, grievance process)
  - SAFETY!
  - Workers spoke often of “union safety culture”



# Challenges Finding Work

- Methods of looking for work have changed, e.g., mostly online search engines
- Employers' lack of knowledge about refinery work and workers' skills
- Disbelief on part of employers about workers' experiences (couldn't imagine the complexity of the job)
- No way for search for "PROCESS OPERATOR" in state systems
- No information about job matches for refinery worker skills
- **No certifications or verification of workers' skills!**

# Increasing Financial Insecurity

What Best Describes Your Financial Situation?

	<b>Before Layoff</b>	<b>Currently</b>
Falling behind financially	3%	33%
Making just enough to maintain my standard of living	19%	50%
Getting ahead financially	78%	17%

# Financial Strategies Post-Layoff

- 32% made early retirement withdrawals
- Tapped savings
- Sold vehicles
- Cut back on “extras” including children’s extracurricular activities, such as sports
- Spouses increased hours or entered labor market
- No workers reported losing their homes ... but fearful of the future

# What Workers Want

- Cash support
- Coordinated information and assistance connecting to resources, e.g., financial advice, job search tips, training opportunity, social services, etc.
- Targeted and informative job search preparation, i.e., resume workshop, preparing online profile (e.g., Linked In), interview practice
- Short-term training with clear pathway to new job with equivalent pay
  
- **Certification of skills!**
- **Income replacement!**
- **Union jobs!**

# Final Thoughts

- Survey identifies major needs currently left unaddressed in CA state energy transition policy and federal support for workers on the frontlines of these changes
- Workers **MUST** play a role in designing clean energy future
- Pathways to good union jobs are not possible without robust local economic development
- We know the clean energy transition is coming—opportunity for us to support workers and prevent economic hardship