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Career & Workplace

Sacramento's workforce development system is shifting to provide new skills



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The Sacramento Business Journal's annual workforce development issue analyzes trends in hiring and training.

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Story Highlights



- Sacramento added 62,800 jobs since the pandemic, many in government and health care.
- Leaders describe a workforce system under pressure but moving toward a common direction.
- Community colleges are expanding skills-based training aligned with employer demand.

Sacramento's labor market is expanding again, but the gains are uneven, and the demands on the workforce development system are shifting faster than many programs can adjust.

That's the assessment from the region's workforce and economic development leaders, who point to cost pressures, demographic change, and employer expectations that are reshaping how workers prepare for jobs and how companies recruit talent.

Anita Maldonado, executive director of the Sacramento Employment and Training Agency, described the outlook for the labor market heading into 2026 as "mixed but cautiously optimistic." She cited preliminary Labor Market Information Division data from August showing the region has added about 62,800 jobs since the pandemic, driven by government, private education and health services.

At the same time, she said, professional and business services have continued to contract, losing 6,100 jobs year over year. Financial activities, including

banking, insurance, real estate and leasing, remain down 7,100 jobs compared to August 2019.

"These trends suggest confidence in sectors that provide essential services and public employment," Maldonado said. "But concern remains around sectors that have not fully rebounded from the pandemic, particularly in professional services and finance."

Income, child care, and the new training model

Barry Broome, CEO of the Greater Sacramento Economic Council, said the question is whether the region has the right workforce model to support recovery and help thousands of working parents move into higher-wage roles.

GSEC is developing Opportunity Sacramento, a partnership with the [nonprofit Child Action Inc.](#) and education providers that would provide technical training, child care, income support and work experience for disproportionately low-wage parents. Broome said the model is designed for the roughly 5,320 parents in Sacramento County who work full-time for low wages and rely on federal child care subsidies.

"If you worked full-time at \$36,000 a year and you raised a couple of kids, who are you?" Broome said. "You are a juggernaut. You are powerful. You are smart."

He said traditional workforce programs have placed people in low-wage service jobs that did not require training, but employers now need job-specific skills. Meanwhile, working parents need income replacement to enroll in short-term technical programs at community colleges. Training, he said, must be tied directly to employer demand and supported with paid pathways.

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Adonai Mack, CEO of Child Action, said the equation only works if training systems acknowledge the central role of child care.

He said the biggest barriers for low-income or single parents are "access, affordability and alignment with nontraditional schedules," noting that many families live in child care deserts and face child care costs that can exceed rent.

"Employment does not automatically equal economic security," Mack said. "For many parents, child care now rivals or exceeds housing costs."

Mack said models like Opportunity Sacramento can "remove the income-versus-training tradeoff that holds so many parents back" if paired with guaranteed child care and other support. He said workforce plans that ignore the need for child care will lock out entire labor pools, especially in sectors requiring evening, night or weekend shifts.

"Our long-term goal is not just to stabilize families on subsidies," Mack said, "but to help elevate those families out of poverty through sustainable career pathways."

Community colleges and employer alignment

Regional leaders consistently cite Sierra College and the Los Rios Community College District as central to building those pathways. Broome called Sierra the "gold standard" for industry-aligned technical training and said Los Rios continues to expand similar approaches.

Sierra College President Willy Duncan said the college has strengthened ties with companies to understand hiring needs and align programs accordingly.

"We have been extremely purposeful about reaching out to employers in the area and talking to them about their needs," Duncan said.

He pointed to Sierra's mechatronics program, developed under the college's partnership with Bosch as it retools a Roseville semiconductor plant to produce silicon carbide chips for electric vehicles. Sierra expanded the program two years before Bosch's hiring peak, giving students time to move from high school labs into training and directly into jobs.

Duncan said the college measures success by wage gains, not just placement. "It is the worst thing in the world if a program takes somebody that is making 20 bucks an hour and we put them through a program and they come out and they get a job making 20 bucks an hour," he said.

Los Rios Chancellor Brian King said the district is seeing similar alignment in health care, advanced manufacturing and construction. He said Los Rios has developed close partnerships with the region's four major health systems and with employers such as [train manufacturer Siemens](#).

"In health care, our major partners are so well aligned now in recognizing what the regional needs are," King said. He pointed to Sutter Health's investment in the Rancho Cordova Center for Folsom Lake College and to specialized stainless steel welding training for Siemens as examples where "we meet with employers, identify what their needs are and respond very specifically."

King said the shift toward skills-based hiring is forcing colleges to rethink traditional timelines. "The world of having time-bound programs is appropriately fading away," he said. "What employers want are demonstrated skills."

He said Los Rios is expanding short-term and stackable options that allow working adults to upskill without leaving the workforce, with online learning and flexible scheduling serving as a "game changer" for adult learners.

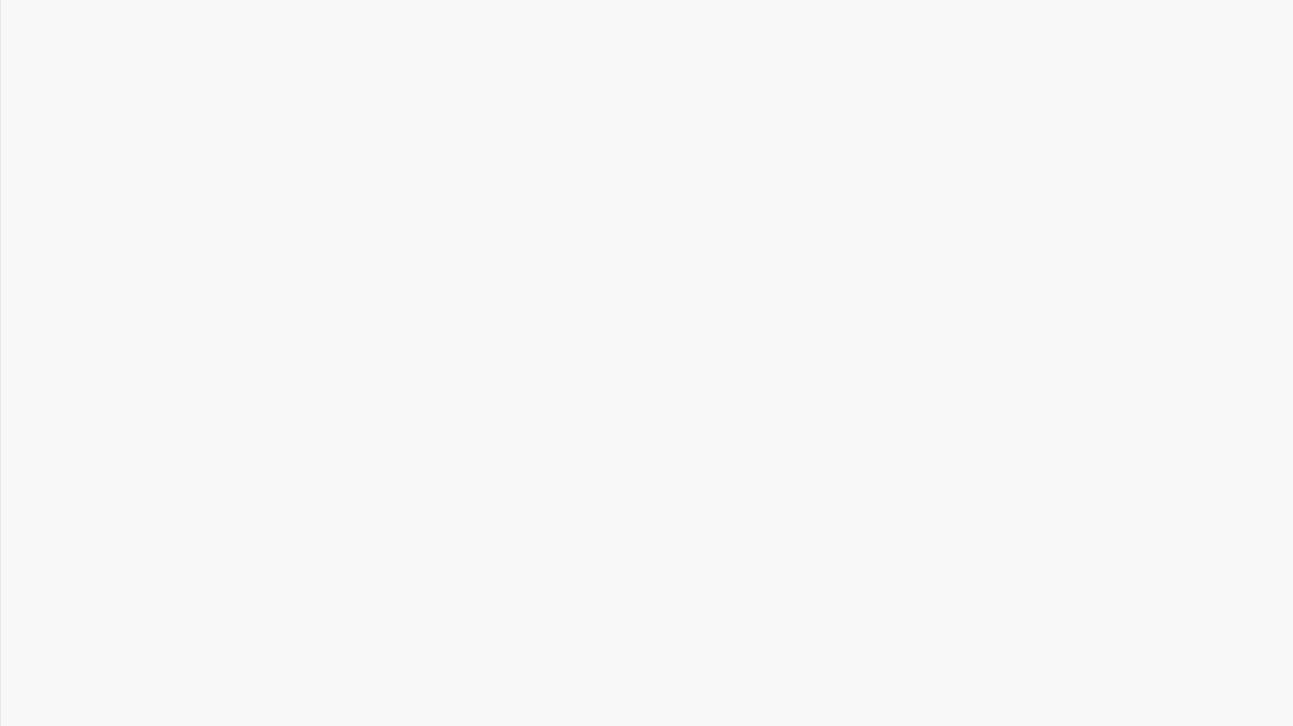
Financial barriers remain significant. King said tuition and fees at community colleges are low or free, but that "the barriers are just life that comes up." He said the Los Rios student emergency fund has helped thousands of students stay

enrolled during short-term crises, and that the district is trying to build larger endowments for the fund.

King said high-impact workforce programs are often the most expensive to run. State funding formulas reimburse colleges at the same rate regardless of program cost, he said. In contrast, health care and manufacturing programs require costly equipment and faculty who can earn more in industry. Los Rios addresses that gap by partnering with employers to help pay for equipment and faculty.

King said the region's emerging [semiconductor corridor along Highway 50](#) is a prime example of what's at stake. Companies such as Solidigm are adding or expanding research and development operations, creating opportunities for colleges to supply technical talent.

"Our four Los Rios colleges are as good as anyone in the state in identifying what the needs are and making sure that our students have what they need to succeed," King said.



Students in Sierra College's mechatronics program work with faculty during a lab session on the Rocklin campus. The program has become a key training pipeline for advanced manufacturing

employers in the region.

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Workforce system under pressure

Maldonado said the most visible shift on the ground is the move toward skills-based hiring, accompanied by rapid digital change in routine and administrative roles. She said employers increasingly emphasize competencies over traditional credentials, which creates opportunities for workers shifting careers but also demands new systems for training and assessment.

She said demographic change, including an aging workforce and younger workers seeking flexible and purpose-driven careers, is altering employer expectations.

Maldonado said SETA has adapted its programs to support skills-based hiring through work-based learning, industry-aligned training and paid pathways. She said the agency hosted more than 100 employer-driven events last year that reached more than 6,800 job seekers and partnered with companies on paid internships, apprenticeships and on-the-job training in biotech, manufacturing and public services.

She cited the Sacramento Municipal Utility District's summer internship for high school youth as an example. She said many participants secure full-time employment in IT, HR, accounting or trades while continuing their education.

Maldonado said SETA collaborates with employers to offer training supported by other services such as coaching, transportation assistance and digital literacy. She said the biggest missing piece in Sacramento's training system for middle skill readiness is a "strong, coordinated bridge" between employers and training programs.

She said SETA sees the strongest employer demand in health care, construction and manufacturing.

SETA also partners with the Sacramento County Office of Education and the Los Rios Community College District to address shortages in mental and behavioral health. Maldonado said a Los Rios apprenticeship program backed by employers provides targeted training and full-time employment while students earn incentives and receive other support.

She said SETA serves job seekers who face the steepest barriers, including individuals with limited education or work experience, people returning from incarceration, and lower-income workers who cannot enroll in unpaid or inflexible training.

AI and the next skills wave

Leaders say [artificial intelligence](#) and automation will test whether Sacramento's skills-based approach can keep up with emerging demands.

"A workforce trend Sacramento is not fully prepared for yet is the rapid rise of AI, automation, and tech-driven roles," Maldonado said.

King said he expects the next five years to be as disruptive as any period in recent memory. He said Los Rios is expanding programs in robotics and related fields so that "students who are in a more automated environment where more things are being done with AI" are ready for that world.

Jorge Avila, partner and chief information security officer at Paleo Tech Group, said employers are already experiencing an "AI skills gap" as roles evolve to require more AI literacy. Paleo Tech provides AI training programs.

Avila said many workers who could benefit from higher-wage, tech-enabled roles lack technical backgrounds or face economic barriers to entering conventional programs.

Avila said Paleo Tech Group is trying to build "AI-ready operators" with training designed around infrastructure, logistics, public services and other operations where AI tools are being embedded. He said AI will likely complement human workers rather than fully replace them, increasing demand for people who can interpret AI outputs and apply judgment in data-driven environments.

Across these perspectives, regional leaders describe a workforce system under pressure but moving toward a common direction.

Evan Schmidt, CEO of research and advocacy organization Valley Vision Inc., said the region will need to converge around a small number of major initiatives to attract funding and show early results.

Renee John, a managing director at Valley Vision, said Sacramento region residents want higher wages and more technical pathways. She said 82% of respondents to the organization's Inclusive Economy Poll want to increase their skills, more than a third are ready for a career change, and 91% would pursue training to do so.

"This is a workforce that is motivated, ambitious, and eager to grow, but in need of accessible, affordable, short-term training pathways that connect directly to quality jobs," John said.