



THE FUTURE OF
Workforce Development
WHERE RESEARCH MEETS PRACTICE

Session:

The Nexus of Workforce and Economic Development

Speaker:

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The Nexus of Workforce and Economic Development

Presented by
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Five Key Trends in Economic Development

- Globalization
- Technology & Telecommunications
- Regionalism
- Sustainable Development
- Workforce Development



The Business Imperative

The business case and return on investment are simply this:

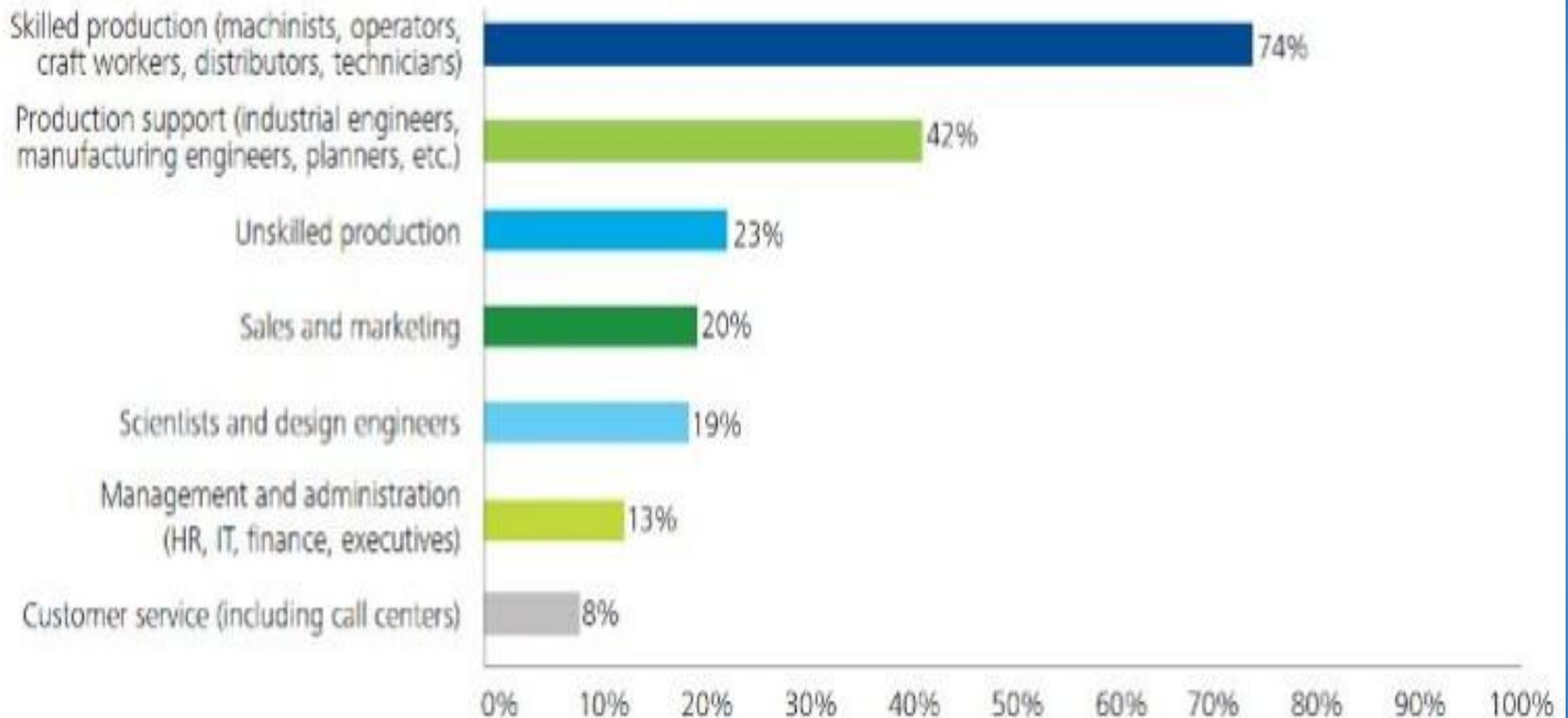
A highly skilled and educated workforce with skills measured and validated by industry standards

- Reduces risk
- Drives innovation
- Supports competitive advantage



Impact of Workforce Shortages

Figure 3: For which employee segments have workforce shortages or skill deficiencies had a significant negative impact on your company's ability to expand operations or improve productivity?



Note: This is a multiple selection question, percentages may not add to 100%. Base used is 1123.

Site Location Consultant Expectations

Incentives should be part of your economic development program foundation.

- Fully served sites
- Adequate infrastructure
- Effective zoning/land-use planning
- Available buildings
- System for expediting permit approvals
- **Effective workforce development program (customized for targets or dynamic)**
- Established incentive policy

Why Talent Matters

Factors Rated “Very Important” in Site Selection*

1.	Availability of Skilled Labor	58.5%
2.	Highway Accessibility	57.0%
3.	State & Local Incentives	54.8%
4.	Tax Incentives	54.3%
5.	Corporate Tax Rate	49.5%
6.	Availability of High-Speed Internet	49.4%

* Area Development Corporate Survey

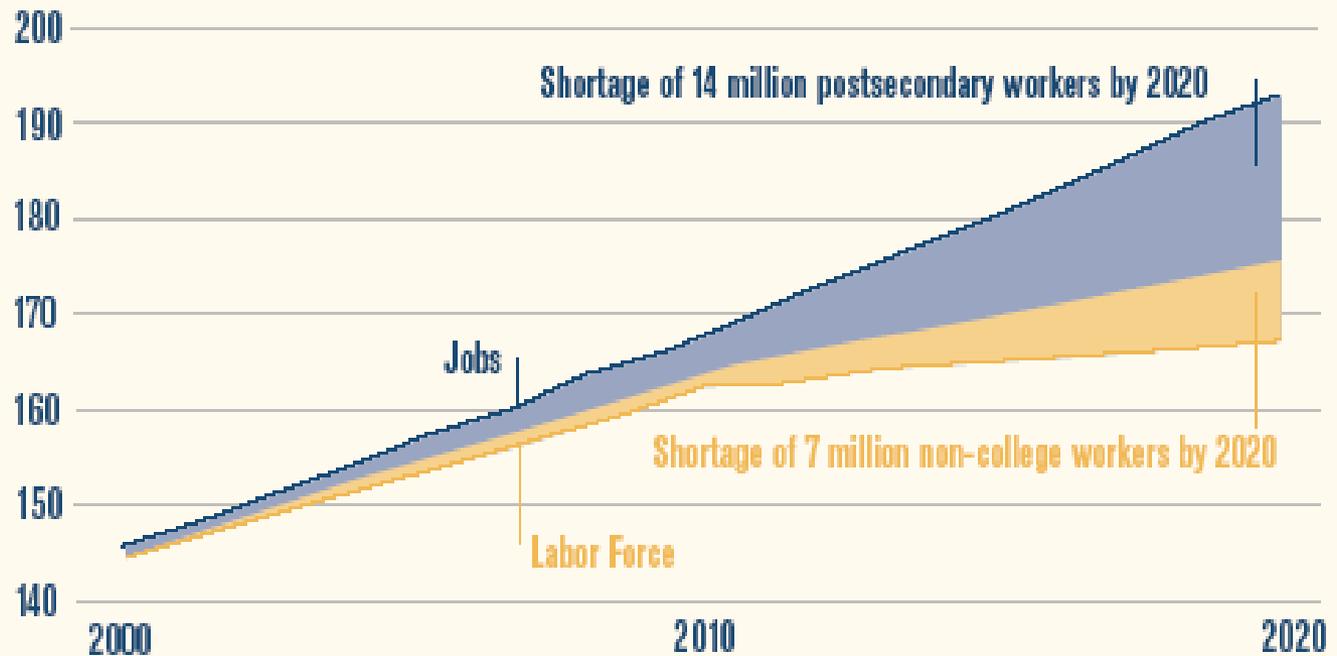
The National Skills Gap

- Over 31% of students drop out of high school or 1.3 million a year
- Only 28% of students earn an Associates degree in three years and 56% earn a Bachelors degree in six
- By 2018, 63% of all jobs will require some form of postsecondary education
- 20% of all students attending technical college already have a Bachelor's degree

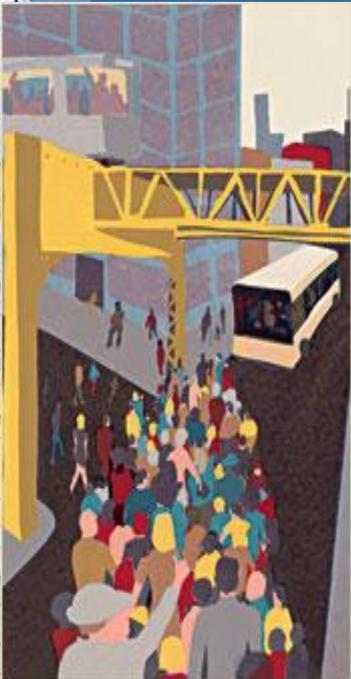
Labor Force Growth

Labor Force Growth Is Not Expected to Keep Pace with Job Growth through 2020

Millions of jobs/workers. Labor force data have been adjusted to reflect multiple job holdings



Authors' analysis and adaptation of data from Ellwood (2001), Fulerton and Toossi (2001), and Hecker (2001).



U.S. Population Shifts



Source: United Van Lines

Workforce Development Initiatives

- State Workforce Investment Board
- Training Funds
- Longitudinal Analysis
- Department of Education Redesign Program
- Community College Dropout Recovery Program
- Career Readiness Certification
- WINGS
- National Skills Certification
- DOL Grant
 - Dream It/Do It
 - Manufacturing Workforce Analysis
 - Job Hunter Series/curriculum
 - Jobs for Graduates

State Workforce Investment Board

- Authority over all training funds
- Board dominated by private sector
- Five Year Workforce Development Plan

Training Funds

- Diverted----- Unemployment Insurance premiums to workforce Development
- Funds to be spent by state community colleges on a first come first served basis
- 20% set aside for innovative projects
- 5% for State Economic Development projects
- Average of \$21m year for training

Training Fund FY12 Accomplishments

- 796 Total Training Projects Completed
 - 20,169 Total Classes
 - 487,488 Total Hours of Workforce Instruction
- People Served
 - 180,998 Duplicated Trainees
 - 76,541 Total Unduplicated Individuals Trained
- 445 Companies/Businesses Served
- \$14,836,829 Spent on Training Projects
 - Average Cost Per Project: \$18,639
 - Average Cost Per Class: \$736
 - Average Cost Per (unduplicated) Trainee: \$194

State Longitudinal Data System

- Program developed by Mississippi State University
- Tracks every trainee
- Provides feedback on the quality of the training
- Tracks trainee into job
- Per capita increase an average of \$4,000
- Provides vital feedback on resource utilization and impact for employee and employer

Department of Labor Grant

- Dream It/Do It pilot
 - Pipeline program at local level with private sector funding
- Job Hunter Series
 - 8 sectors highlighted for jobs and training
 - Curriculum developed for instruction
- Jobs for Mississippi graduates
 - Field tested curriculum

The NAM-Endorsed Manufacturing Skills Certification System

- Aligned to the Manufacturing Competency Model
- Nationally Portable
- Third-Party Validated (ISO/ANSI Preferred)
- Industry-Driven
- Data Based and Supported

Value of a Manufacturing-Specific Skills Certification System

- Reduce or eliminate time and effort wasted on unqualified or uninterested candidates
- Compare job candidates more equitably
- Validate whether a potential hire has both book smarts and job skills needed for manufacturing jobs
- Reduce employee turnover
- Invest in a more qualified workforce to increase productivity and competitiveness

Roadmap to Manufacturing Education

The nation needs an immediate renaissance of manufacturing education, including:

- Skillfully integrated academic and technical learning paths;
- A heightened focus on Science, Technology, Engineering and Math skills;
- More available alternatives for learning, with more “on” and “off” ramps to higher education and lifelong learning systems to acquire new skills as technology advances; and,
- The integration of nationally portable, industry-recognized credentials with educational pathways, leading to postsecondary credentials with real value in the workplace;
- More internships and mentorships to align higher education with industry competency and skill requirements.

What Industry Leaders Say

“A smart, safe, and sustainable manufacturing sector relies on the knowledge, advanced skills, and innovation of its workforce. We need to attract students to long-term careers in manufacturing and prepare them to meet future marketplace demands. An education system that provides industry-sponsored credentials is a critical part of creating the workforce we need to be successful.”

- Blake Moret, Vice President, Rockwell Automation

“I advise each of my staff that every worker hired is a million-dollar investment for this company. I’m calculating that most hires are under 45 years old; we intend to keep them for at least 20 years, and our average annual salary/benefits package is \$55,000. In other words, we can’t afford to make a mistake—to hire someone without the right skills. Verifiable skills certification programs can make the difference between a good investment and a high-risk.”

- Dennis Rohrs, Director of Human Resources, Fort Wayne Metals, Inc.

A “Win-Win” Scenario

