

Issues, Solutions, and Values Framework
for preparing
The Tompkins Workforce Strategy

a white paper primer for the leadership forum

Solutions for Workforce Development
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Glossary

Basic-skilled* occupations require short-term, moderate-term, or long-term on-the-job training.

Churn is the turn-over of employees who are people leaving one employer to join a new employer while staying in the same occupation.

A **cohort** is a demographic group defined by a set of characteristics. Usually a cohort is in a defined generation or age bracket such as 25-34 year olds.

High-skilled* occupations require a bachelor's degree, bachelor's degree or higher plus work experience, master's degree, doctoral degree, or first professional degree.

Medium-skilled* occupations require work experience in a related occupation, a postsecondary vocational award, or an associate's degree.

Underemployed* individuals are people working in positions that are below their level of qualifications.

* Defined in the report: Tompkins Labor Market Region Study, Chmura Economics & Analytics, 2008

EXECUTIVE SUMMARY

The Tompkins County Labor Market Region Study defines the trajectories of economic sectors and the related demand for workers and occupational skill sets during usual periods of moderate growth. Following on this study, five key labor market **ISSUES** have been identified for Tompkins County. These issues point to the need to expand significantly the capacities of the workforce in the long-term as the economy recovers.

- 1. Increase the supply of adequately skilled, basic-skilled workers** There is a shortage of 4,750 basic-skilled workers – mostly filled by underemployed workers. Annually, the shortage increases by about 170 workers, and there are an additional 75 to 100 under-skilled workers entering the labor market.
- 2. Increase the young adult cohort ages 25 to 40** The county has a shortfall of about 3,000 young adults. This shortage grows annually by about 150 persons as the county experiences somewhat more out-migration than in-migration.
- 3. Address the impending wave of retirements** Currently about 525 persons retire annually. This figure will increase by about 450 per year as Boomers reach retirement age starting in 2012 and continuing to 2032.
- 4. Recruit targeted medium and high-skilled workers** Employers recruit about 300 workers annually from outside Upstate New York as they seek employees with specific skill sets.
- 5. Better engage the resources of the underemployed** There are about 4,500 more underemployed persons in the county than expected based on the national underemployment rate. About 225 individuals are added to these ranks annually.

As we prepare to create **SOLUTIONS** to address these issues, our work will focus on three approaches:

- **Skill development** of youth and the adult labor force
- **Other employment practices and supports** to retain and attract talent
- **Job creation** through targeted economic development

We may also wish to create solutions for improving our response to short-term challenges such as the current economic downturn or fluctuating gasoline prices.

Three key **VALUES** should serve to guide the solutions to workforce development issues:

- **Inclusivity**: of diverse populations, non-college-bound, and lifelong learners
- **Investment**: in career mobility of workers, especially for working-poor families
- **Collaboration**: to grow resources and opportunities, and share the expanded “pie”

NOTE: For the purposes of this initiative, workforce development is defined within the realm of skill development, employment practices, and job creation. Related arenas such as housing, transportation, and childcare are being addressed by other strategic efforts involving the Workforce Investment Board and Tompkins County Area Development – but these arenas are not part of this Workforce Strategy.

BACKGROUND

The Charge

The Tompkins County Economic Development Strategy calls for the community to address three key economic development goals:

- Increase and diversify housing supply
- Improve workforce and business skills
- Revitalize unique commercial districts and town centers

Building on that charge, the Workforce Investment Board (WIB) and Tompkins County Area Development (TCAD) have partnered to create a comprehensive Workforce Strategy for Tompkins County. We seek to create a vibrant economy that provides satisfying and supporting employment opportunities to workers, and top-quality human capital for employers. The broad goals of this partnership are to cultivate a prosperous and sustainable regional economy by:

- enhancing the skills and capacities of the labor market
- expanding career opportunities for the workforce
- better matching talent capacities to talent needs of employers

The workforce strategy will provide a guide for a coordinated, effective, and efficient response from the community to address urgent talent issues.

For the purposes of this initiative, workforce development is defined within the realm of skill development, employment practices and supports, and job creation. Related arenas such as housing, transportation, and childcare are being addressed by other strategic efforts involving the WIB and TCAD – but these arenas are not part of this workforce strategy.

The Workforce Investment Board

Tompkins County has had a unique workforce development system for over ten years. In the past the county worked with other counties (through the Private Industry Council in the 1990's) to access federal workforce programs. Because Tompkins County's economy and workforce demands are substantially different from our neighboring counties, it became evident that Tompkins needed its own workforce board to concentrate on solutions to its singular labor market characteristics and particular employer demands. Nevertheless, the Tompkins WIB struggles in the federal WIA resource environment that, while providing substantial funds for very-low-income youth training, underfunds:

- other youth development and training
- all adult employment services, including training
- employer services

The Tompkins WIB is considered a leader of best practices and innovation in the state. The WIB leads a strong team of employers, agencies, schools, and other partners. The workforce development system is strongly aligned with the economic development system. And, the

workforce system has been successful in accessing local resources for creative solutions – examples include a tourism-sector training program funded by County Room Tax revenues, and an employer-funded training program for machinists.

The Strategic Planning Process

In 2007 the WIB/TCAD partnership hired a consultant, Chmura Economics & Analytics, to prepare a labor market analysis. The resulting study, released in 2008, provides detailed information about the current labor market and employer demand, as well as forecasts that identify critical shortages or oversupply by occupation and sector. (For the full report, The Tompkins County Labor Market Region Study, go to: http://www.tcad.org/files/businessInfo/TCAD_Full_Report_April_21.pdf.)

In 2008, the partnership initiated a stakeholder engagement process involving the WIB board, a steering committee of stakeholder leadership, the public school districts, and a broader stakeholder leadership group. These stakeholder sessions identified the top five labor market issues to be addressed in the workforce strategy. These sessions also provided guidance on how to engage an even broader group of stakeholders in a meaningful discussion on improving workforce skills and expanding career opportunities.

TOP FIVE LABOR MARKET ISSUES

The Tompkins County Labor Market Region Study defines the trajectories of economic sectors and the related demand for workers and occupational skill sets during usual periods of moderate growth. Following on this study, five key labor market issues have been identified for Tompkins County. These issues point to the need to expand significantly the capacities of the workforce in the long-term as the economy recovers.

The Tompkins County labor market region includes Tompkins County and its six contiguous counties – Cayuga, Chemung, Cortland, Schuyler, Seneca, and Tioga. The study forecasts an adequate number of people to fill the projected job growth over the next ten years. However, without intervention, there will be significant misalignment between the skills of people in the local labor market and the skills needed by the jobs, resulting in shortages in some occupations and oversupply in others. The end results will include: difficulty filling positions, continued challenges for recruiting from outside the region, and significant underemployment. Projections beyond 2016 indicate increasing labor shortages as the Baby Boomers retire.

The Steering Committee identified five key objectives related to a broader goal of expanding the workforce capacity to meet labor demand. These are:

1. Increase supply of adequately skilled, basic-skilled workers.

Tompkins County is short about **170** basic-skilled entrants into the workforce annually with another 75 to 100 basic skill hires with unsatisfactory skills. The current shortage is about 4,750 basic-skilled workers – these jobs are filled by underemployed medium- and high-skilled workers.

2. Increase young adult cohort ages 25 to 40

The current population of 25 to 40 years-olds is about 3,000 fewer than would be expected based on the national average. This contributes to a smaller-than-expected cohort of young children as well. On average, slightly over 3,000 people out-migrate from Tompkins County each year, while about 50 fewer in-migrate. However, there has been a net gain of in-migrating Baby Boomers while the net annual loss of younger adults has been about **150** each year. A related statistic is that out-migrants average \$7,000 more in wages than in-migrants. While the study found that the wage differential is consistent with the large student population, lack of opportunity in high-skill, high-wage professions was considered a hindrance to attracting and keeping high-skill workers.

3. Address impending wave of retirements

In 2008, there were about 525 workers retiring annually. In 2012, that number should increase to about 975 as the Baby Boom generation reaches retirement age. The uptick in retirement rate will be in place for about 20 years. At the same time, the newly entering generation will be about 10% to 15% smaller. In addition, the highly educated and experienced Boomers will be difficult to replace.

4. Recruit targeted medium and high-skilled workers

Tompkins employers recruit about **300** hires annually from outside the Upstate New York region. Continued shortages in certain occupations will require ongoing recruitment. The higher-skilled occupations with labor shortages will be primarily in the health sector as well as technology industries, and some business service occupations will also experience shortages.

5. Better engage the resources of the underemployed

Tompkins has about 11,700 underemployed – about 4,500 more than would be expected based on national trends. About **225** people enter underemployment each year. About half of the surplus in high-skilled occupations is concentrated in the field of post-secondary education. Secondary and elementary education has the next highest concentration.

There are some strong dynamics among these issues. For example, increasing the 25 to 40 year old group will help replace retirees, and improving recruitment results will help with both of these issues. Also, if the supply of basic-skilled workers increased substantially, such as by a large increase in immigrant population or significantly better engagement of disaffected youth, greater competition for basic-skilled jobs could push the underemployed to seek the skills that fit higher-skilled employment opportunities, or become more entrepreneurial. The workforce strategy should monitor and be responsive to these dynamics as they transpire.

ACTION FRAMEWORK

There are three primary arenas of workforce development. First, there is **conventional workforce development**, such as education, training, assessment, and other employment services. Youth and young adults are the largest population for these services. Approaches include:

- targeting training and competency development to demand occupations and career paths

- increasing exposure to career fundamentals through K-12 education, and combining work and learning in programs to reach disaffected youth
- developing channels to get up-to-date, accurate labor market information to youth and new entrants into the workforce

The second arena is **retaining and attracting talent**. Approaches include:

- employer tactics such as fostering career opportunities and life/work balance, and restructuring compensation, benefits, and other rewards
- fostering career mobility for basic skilled workers by cultivating craft and quality of service delivery, and by furthering understanding the importance of their roles in the workplace
- Community-supporting infrastructure such as expanded access to HEAP energy assistance, food stamps, and childcare vouchers to stabilize the working poor and support progress on a career path

The third arena is **job creation**. The main approach is targeted economic development to:

- increase career opportunities
- align opportunity with workforce capacities
- increase regional attractiveness

Finally, we can improve our **response to economic downturns**. In 2008, there was a 50% increase in job seekers in Tompkins County. The workforce system responded with added staff and special events such as the job fair for laid-off workers from BorgWarner Automotive. While these expanded services were successful, additional capacity is needed to improve the speed and scale of response. This is the time to consider additional strategies for short-term crises.

TRAINING RESOURCE SITUATION

There are four main realms of workforce investment in the county. First and most fundamental are the **public schools**. Instructional expenditures represent about 65% of total budgets for school districts. Based on NYS Department of Education figures, the six local districts are spending about **\$142 million** on instruction in the 2008-09 school year (about \$10,000 per student annually).

Employers deliver the next largest investment in workforce training. Nationally, employers spend about \$1,000 per year per employee on training. Based on that average, local employers are estimated to spend about **\$50 million** on training annually.

TC3, the Tompkins Cortland Community College, is another large provider of workforce training. TC3 delivers **\$9.7 million** in training to about 1,500 Tompkins County students in credit-based programs and courses. (While many students attend part-time, this represents about \$8,800 per full time equivalent student for 1,100 FTE's.) In addition, TC3 delivers about **\$250,000** of education services through non-credit courses including corporate training and ESOL (English for Speakers of Other Languages). There are about 2,500 people who access the non-credit courses.

Tompkins Workforce New York partner agencies

The partner agencies of TOWNY programs invest about **\$1.8 million** annually in workforce services. The largest providers are the Department of Labor, the Tompkins County Office of Employment & Training, the Women’s Opportunity Center, and T-S-T BOCES. The programs:

- Assist employers in meeting current and future workforce needs
- Provide job seekers with the tools needed for a successful work search
- Fund training to upgrade skills and enhance employability

(See detailed activities in the Appendix.)

VALUES – A GUIDE TO MOVING FORWARD

Local leadership strongly emphasizes the importance of values in workforce development and economic development efforts. As a result, the 1999 Economic Development Strategy called for reflecting community values such as “opportunity for all”, the WIB’s 2004 Strategy Matrix emphasized inclusivity, and the 2006 Economic Development Strategy focused on collaboration.

Three key **VALUES** emerged during these initiatives and the current process. These values should serve to guide the solutions to workforce development issues. They are:

- **Inclusivity**: of diverse populations, non-college-bound, and lifelong learners
- **Investment**: in career mobility of workers, especially for working-poor families
- **Collaboration**: to grow resources and opportunities, and share the expanded “pie” -- by optimizing competitive and cooperative forces

APPENDIX

THE SCOPE OF LABOR MARKET ACTIVITY IN TOMPKINS COUNTY

A Typical Year

This data is from 2007, a typical year that had about 1% expansion, not the 2008-2009 recession.

About 50,400 people are employed in Tompkins County. This figure includes about 14,000 in-commuters. It excludes:

- approximately 4,000 residents who commute to work outside the county
- approximately 10,000 students who work part-time jobs on the campuses

The county has a high level of labor force participation -- at nearly 74%, it is 10% higher than the US average participation rate.

Tompkins sees about 16,500 hires annually (filling about 23% of all jobs), of which there are about:

- 600 net new jobs
- 8,400 hires to replace retirements and people moving to new careers
- 7,500 hires due to “churn” – people in the same career moving to a new employer

Impacts of the 2008 economic recession – job loss and unemployment

Jobs in Tompkins: According to the NYS Department of Labor’s website, from December 2007 to December 2008, the number of jobs in Tompkins County dropped by a net of 400 jobs. While there were modest increases in Education/Health and Government sectors, large declines were experienced by the Manufacturing, Retail Trade, and Professional and Business Services sectors. Since a typical year would add about 600 net new jobs, this is a net shortfall of 1,000 jobs.

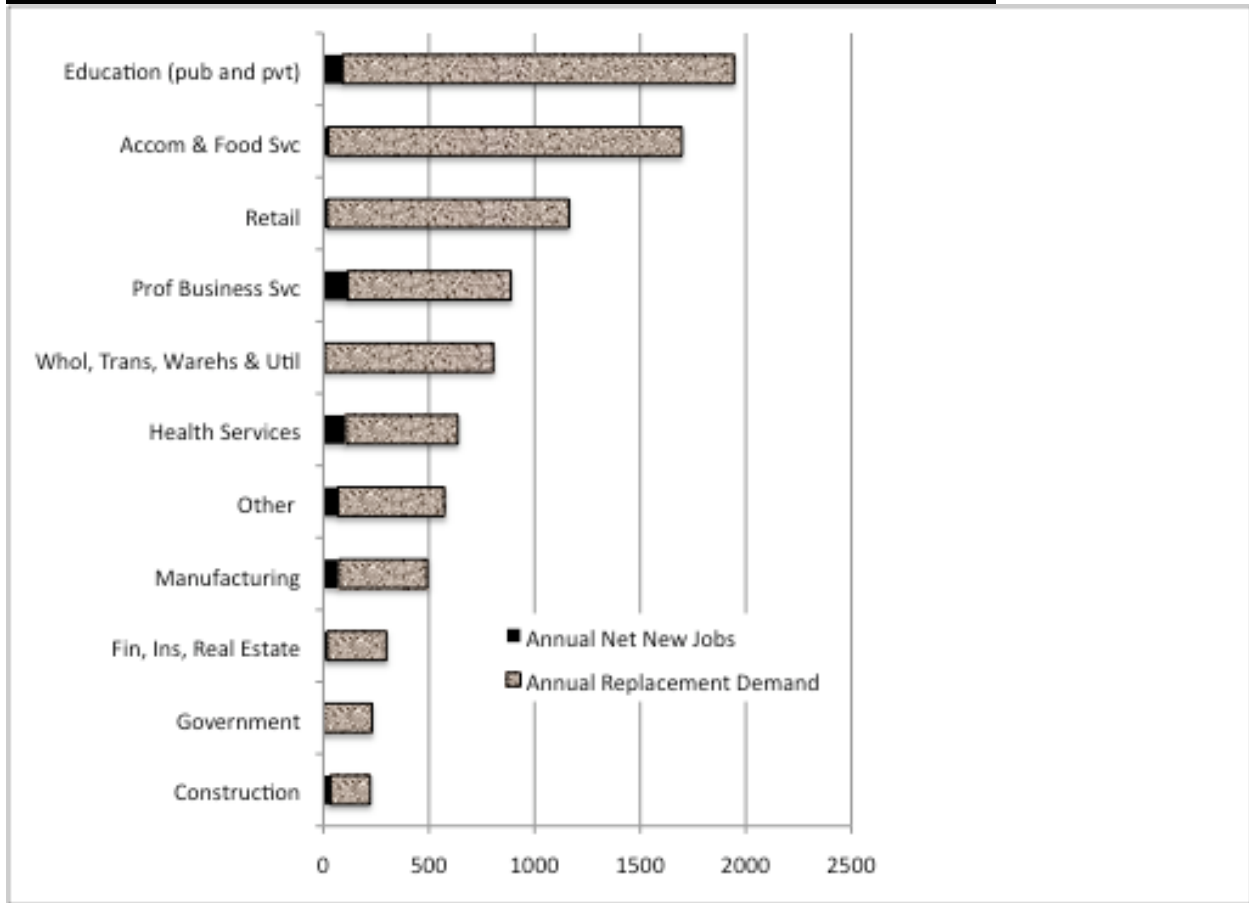
Unemployment rate of residents of Tompkins: Over that same time period, December 2007 to December 2008, the unemployment rate increased from 3.1% to 4.7% with the number of unemployed persons seeking work increasing from 1,700 to 2,600.

Employment Forecast

This employment forecast data is from the Tompkins County Regional Labor Market Study. It reflects a typical period of moderate expansion, not the 2008-2009 recession.

The employment demand forecast shows a strong bifurcation of skill requirements of jobs in the county. A little over half require basic skills – 20% require just a high school diploma and 33% require additional vocational or on the job training. About 40% require a high level of skills defined as at least a two-year degree with significant on the job training, or a Bachelors degree (or higher). The remainder require middle level skills such as a two-year degree with minimal on the job training. This compares nationally to a more equal split between medium (27%) and high skill (21%) job opportunities. The following forecast for growth helps explain the labor market activity as it relates to industry sectors.

EMPLOYMENT FORECAST FOR TOMPKINS COUNTY 2007 TO 2016



Source: Chmura Economics & Analytics: Tompkins County Labor Market Region Study, 2008

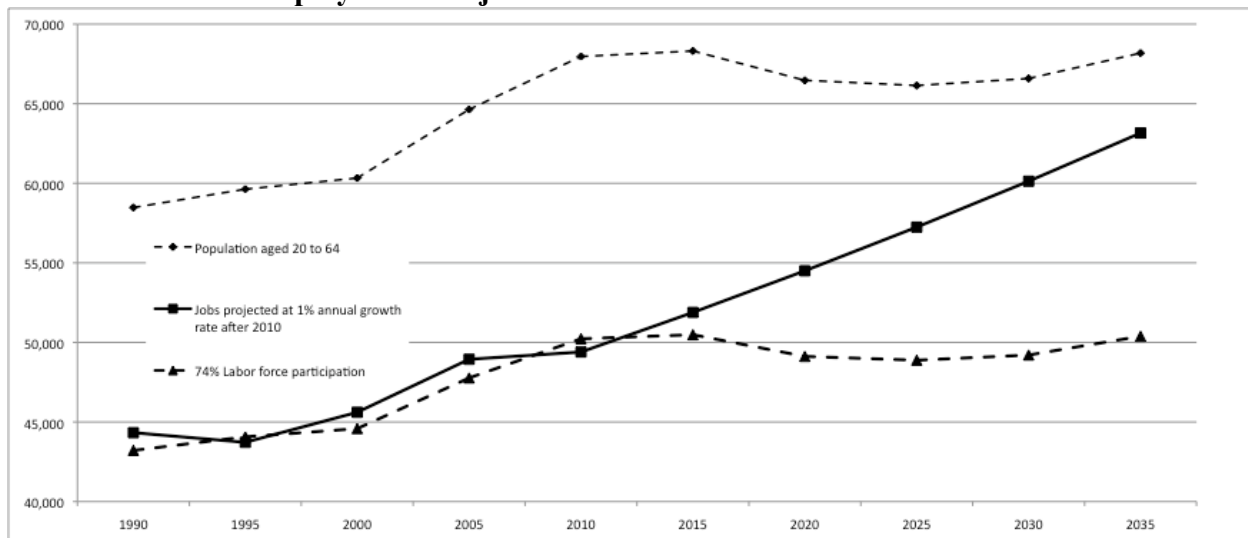
Employment Forecast for Tompkins County 2007 to 2016	Annual Net New Jobs	Annual Replacement Demand
Construction	34	188
Government	2	229
Fin, Ins, Real Estate	18	280
Manufacturing	73	419
Other	69	503
Health Services	108	529
Whol, Trans, Warehs & Util	7	797
Prof Business Svc	115	773
Retail	18	1,145
Accom & Food Svc	24	1,674
Education (pub and pvt)	91	1,853
Total	559	8,390

Source: Chmura Economics & Analytics: Tompkins County Labor Market Region Study, 2008

LABOR FORCE AND EMPLOYMENT PROJECTIONS

The chart, **Labor Force and Employment Projections**, shows the projections of working age population compared to job projections for Tompkins County. This chart is based on current demographic and business growth trends. The chart draws from multiple data sources so absolute values should not be calculated from it. However, the chart visually conveys the impact of the Baby Boom cohort as it retires and as the smaller Generation X and Generation Y replace the Boomer generation. Without a significant change in the area's demographics, the potential for business and job growth will be stifled. The labor force may even be inadequate to provide services to the increasingly older, non-working population, presenting serious challenges to the region.

Labor Force and Employment Projections



Data sources

- Demographic projections from Woods & Poole – these figures include students.
- Labor force participation rate provided by TCAD, based on 2000 US Census data. This rate includes students.
- Jobs projected by TCAD based on information available in the Tompkins Labor Market Region Study and Jobs EQ (both from Chmura Economics & Analytics) with modified estimates for the 2009 2010 recession estimated by TCAD. These jobs do not include on-campus jobs filled by students.

• **THE WORKFORCE INVESTMENT BOARD (WIB) AND TOMPKINS WORKFORCE NY (TWN)**

The **WIB** provides leadership in two arenas:

1. Accountability for the delivery of quality, publicly-funded workforce services
2. Identification and management of workforce issues in the community

The WIB and its staff are the planners, conveners, strategists, and policy makers for workforce issues. The WIB members are the eyes and ears on the ground identifying trends, problems, and solutions. The WIB identifies the local area's needs and resources, and develops a strategic consensus among local leaders and service agencies in order to ensure that employment services and training programs continue to meet the needs of local employers and job seekers.

The WIB has the following responsibilities in managing the local one-stop Career Center:

- Certify the one-stop operator
- Conduct oversight of the one-stop delivery system in the local area
- Negotiate local performance measures
- Coordinate with economic development and employers

The WIB is the County's conduit for federal WIA funds as well as other funding resources. Identification of solutions and convening agencies to collaborate for additional grant funding is crucial to the success of the Workforce Investment Board. At times though, coordinating a local response may be the best solution. For example, during visits to local manufacturers a frequent topic of conversation was the lack of skilled machinists. The WIB convened a group of local employers and TC3, identified the skills needed, created curriculum, and then served to broker the employers' shared access and shared cost for the program.

TWNY consists of eleven partner agencies both government and private, who have coordinated resources and offer services to:

- Assist employers in meeting current and future workforce needs
- Provide job seekers with the tools needed for a successful work search
- Fund training programs to upgrade skills and enhance employability

TWNY Partners are:

1. Challenge Industries
2. Experience Works
3. New York State Department of Labor
4. Tompkins Community Action
5. Tompkins Cortland Community College (TC3)
6. Tompkins County Office of Employment & Training
7. Tompkins County Department of Social Services
8. Tompkins County Office of the Aging
9. T-S-T BOCES
10. Vocational and Educational Services for Individuals with Disabilities (VESID)
11. Women's Opportunity Center

TWNY Funding Sources:

- Workforce Investment Act (adult, dislocated and youth)
- Dept of Labor -- Wagner/Peysner Act funds
- Tompkins County
- Grants (local, state and federal)

The TWNY One Stop Career Center is a one-stop shopping approach for accessing employment related services for businesses, workers and job seekers in Tompkins County.

A Few Facts about TWNY One Stop Career Center:

- In 2008, TWNY served an average of 560 customers per month (6,720 annually)
- Maintained a Job Bank with over 400 jobs posted per month
- Tied into a State and Federal job bank (125,000 jobs/month)

- 67% adult employment placement rate
- 97% adult employment retention rate
- 80 Training Accounts (up to \$3,000)

- 21 youth in subsidized employment (\$2,200)
- 148 youth placed in summer employment (WFNY and IYB)
- 20 youth in Job LINK enrolled in post secondary education

- Average 7 “Meet the Employer” sessions a month
- Participate in 5 annual job or career fairs

Job Seeker services include:

- Job listings and job search assistance
- Employment preparation, workshops and career exploration
- Career assessments and skill testing
- Training Accounts and On-the-Job Training (up to \$3,000 each)
- Career and job fairs, and networking options
- Paid and unpaid work experiences (including internships and job shadowing)
- Leadership development opportunities
- Mentoring, guidance and career counseling
- Tutoring, study skills training and dropout prevention
- Youth - worker readiness, employment and educational support
- Labor market information
- Special Needs Assistance
- Disability Services and Work Incentives
- Referrals to other partner agencies

Business Solutions services include:

- Computerized Match to Job Seekers
- Job Bank - Job Postings
- Customized Recruiting
- Funding for Training
- Work Incentive and Subsidy Programs
- Layoff/Transition Assistance
- Rapid Response
- Labor Market Information
- Labor Law Interpretation
- ADA and Benefits Consultations
- Health and Safety Consultations

The One Stop Career Center's Resources include:

- Resource Room – technology, phone, copier, etc
- One on One Job Search Assistance
- Websites -- America's Job Exchange