



Workforce and Economic Development

Presentation to
The Joint Regional Forum
Lake Lure
August 3, 2007




Mary, Mary, quite contrary, how does
your garden grow?

- With cockle shells, and silver bells,
and pretty maids all in a row.



Mayor, Mayor, political player, how does your economy grow?

- With land and natural resources
- With labor and human capital, and
- With capital investment.
- Assisted by changes in technology



If your town, county or region were a closed economy with all resources fully employed, how would you grow?

- By consuming less than you produce.
- Don't eat the seed corn!



When you open your local economy to the rest of the world...

- You exchange resources and goods and services with other areas
 - You trade
 - You invest in other areas
 - Your people work in other areas or relocate
 - People from other areas work in your community—some relocate
 - You seek outside investment—the Pretty Maids of economic development



So—What does all this have to do with Workforce Development?

- Everything

- Workforce is the key ingredient in a productive economy.
- Your ability to attract, retain and grow skilled workers is a critical determinant of your economic future.
- Understanding how your workforce is changing and how it needs to change to meet future demand must be an integral component of your economic development strategy.



State of the North Carolina Workforce

An Assessment of the State's Labor Force Demand and Supply 2007-2017

- January 2007
- The North Carolina Commission on Workforce Development
- Report available online at www.nccommerce.com/workforce/swr/



North Carolina Commission on Workforce Development

- 38 Member Board Appointed by Governor Provides Strategic Direction to NC Workforce Development System
- Allocates \$80 Million in WIA Funds for the NC Workforce Delivery System
- Staff of 7 in DOC Working Directly for Commission plus the Div. of Employment And Training
- Operating Guidelines and Standards for 24 Local Workforce Development Boards and NC Job-Link System
- Policy Advice Regarding Workforce Issues



State of the NC Workforce Study

- Led by the Commission's Policy Research and Assessment Committee (PRAC)
- Study Conducted by Corporation for a Skilled Workforce and Center for Regional Economic Competitiveness



Study Outcomes

- 2007-17 labor market demand and supply projections for NC and sub-regions
- Key issues likely to arise *IF current trends continue and no major economic shifts occur*
- Provides facts to help guide policy choices



Key Trends Found In The Report

8 Key Trends



Key Trends

1. Traditional manufacturing continues to shed jobs as part of an on-going economic transition
2. Traditional “middle jobs” — those that paid a family-sustaining wage and required minimal formal education or training — are disappearing as part of this transition
3. New job creation is concentrating in certain fast-growing metropolitan areas
4. Many areas of North Carolina are not prospering from the economic transformation



Key Trends

5. Future prosperity depends on achieving higher educational attainment levels for all citizens
6. Impending baby-boom retirements will exacerbate an emerging skills gap among experienced, skilled workers
7. High-skill in-migrants will help fill part, but not all, of this skills gap
8. Low-skill in-migrants present both opportunities and challenges in meeting the state's workforce needs



Developing a Workforce Strategy

- Broad input from Workforce and Economic Development Groups
 - Statewide rollout of SOW report
 - Three regional forums
 - Presentations to multiple groups
- Established Policy Workgroups
 - Diverse representation of stakeholders
 - Strategy recommendations



Policy Workgroups

- **Valuing Education** (improving educational attainment)
- **Declining Middle Jobs** (displaced workers migrating from high wage jobs to lower wage jobs)
- **Regional-Urban/Rural Disparity in Economic Growth and Workforce Demand** (overcoming the multiple North Carolinas: urban Vs. rural; coastal and mountain Vs. piedmont)
- **Changing Workforce Demographics** (baby boomer retirements and in-migration of low-skilled workers)



Workgroup Recommendations

- Change Culture and Perceptions about Education and Training
- Align and Refine Planning and Delivery Systems
- Increase Demand and Capacity in Rural and Micropolitan Areas
- Provide Equal Access to Quality Education and Training for the State's Entire Workforce



Change Culture and Perceptions about Education and Training

- Launch a “Valuing Education” campaign for North Carolina citizens
- Develop and promote a communication strategy aimed at intermediaries and businesses regarding the composition and skills of our existing and emerging workforce



Align and Refine Planning and Delivery Systems

- Create incentives and mechanisms to increase collaboration among workforce development, education and economic development organizations
- More closely align education curricula with high-growth industry sectors
- Fund a position in each high school to interact with business
- Increase access to business technical assistance



Align and Refine Planning and Delivery Systems (Cont'd)

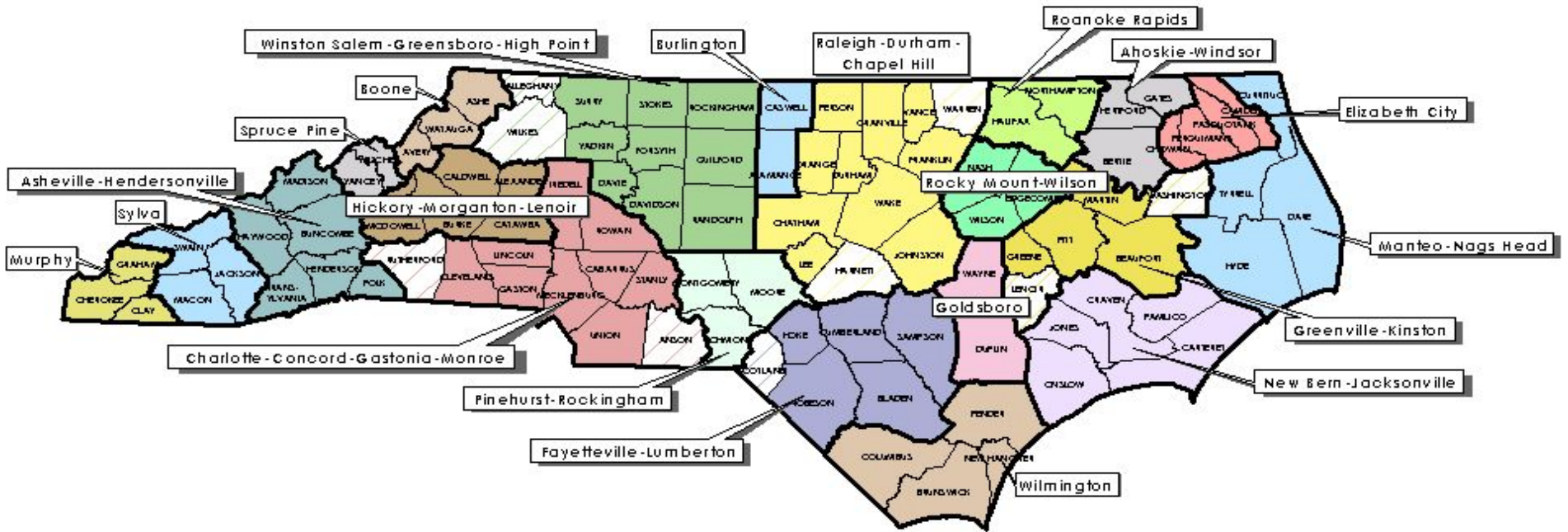
- Refine service delivery infrastructure to respond to changing workforce demographics
 - Succession planning for aging business owners
 - Retention of aging employees
 - Multi-lingual materials for workforce and economic development
- Reconsider DOC Development Hubs concept



Methodology for Development Hubs Concept Developed by NCDOC Policy and Research in 2004

- Step 1
 - 20% in-commuting OR
 - 20% out-commuting OR
 - 1,000 commuters in either direction
- Step 2
 - Link counties geographically based upon thresholds
- Step 3
 - Assigned counties to most significant hub
 - Dangler concept

Map of Potential Development Hubs





Increase Demand and Capacity in Rural and Micropolitan Areas

- Enhance public policies aimed at business attraction, retention and development in rural and micropolitan areas
 - Support entrepreneurship
- Implement sector and cluster strategies to stimulate demand and stem the brain drain from rural and micro areas
- Expand the CRC/Work Keys program to include the certification of entire communities

North Carolina's Primary Regions

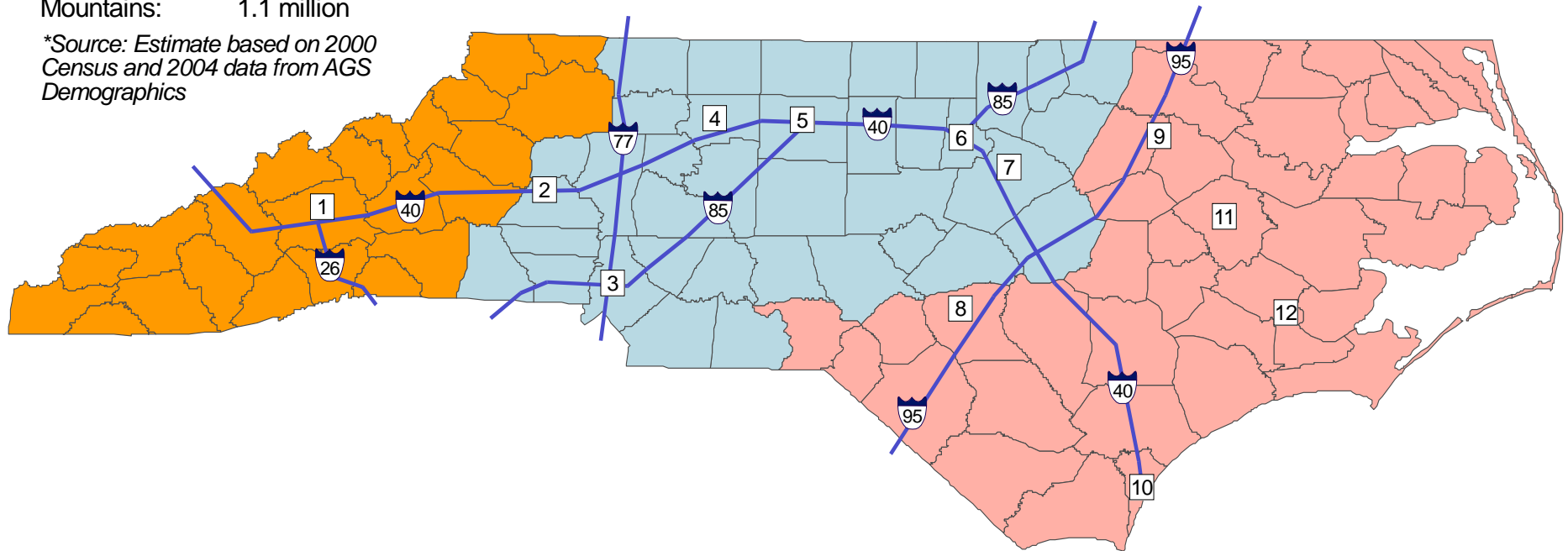
2005 Population Estimates

Piedmont: 5.3 million

Coast: 2.4 million




Mountains: 1.1 million

**Source: Estimate based on 2000 Census and 2004 data from AGS Demographics*



- | | |
|-----------------|----------------|
| 1 Asheville | 7 Raleigh |
| 2 Hickory | 8 Fayetteville |
| 3 Charlotte | 9 Rocky Mount |
| 4 Winston-Salem | 10 Wilmington |
| 5 Greensboro | 11 Greenville |
| 6 Durham | 12 New Bern |

0 70
Miles

- | |
|---|
|  Mountain region |
|  Piedmont region |
|  Coastal region |

Metropolitan and Micropolitan Areas in North Carolina

Metropolitan Statistical Areas

- *Asheville, NC
- *Burlington, NC
- *Charlotte-Gastonia-Concord, NC-SC
- *Durham, NC
- *Fayetteville, NC
- *Goldsboro, NC
- *Greensboro-High Point, NC
- *Greenville, NC

- *Hickory-Lenoir-Morganton, NC
- *Jacksonville, NC
- *Raleigh-Cary, NC
- *Rocky Mount, NC
- *Virginia Beach-Norfolk-Newport News, VA-NC
- *Wilmington, NC
- *Winston-Salem, NC

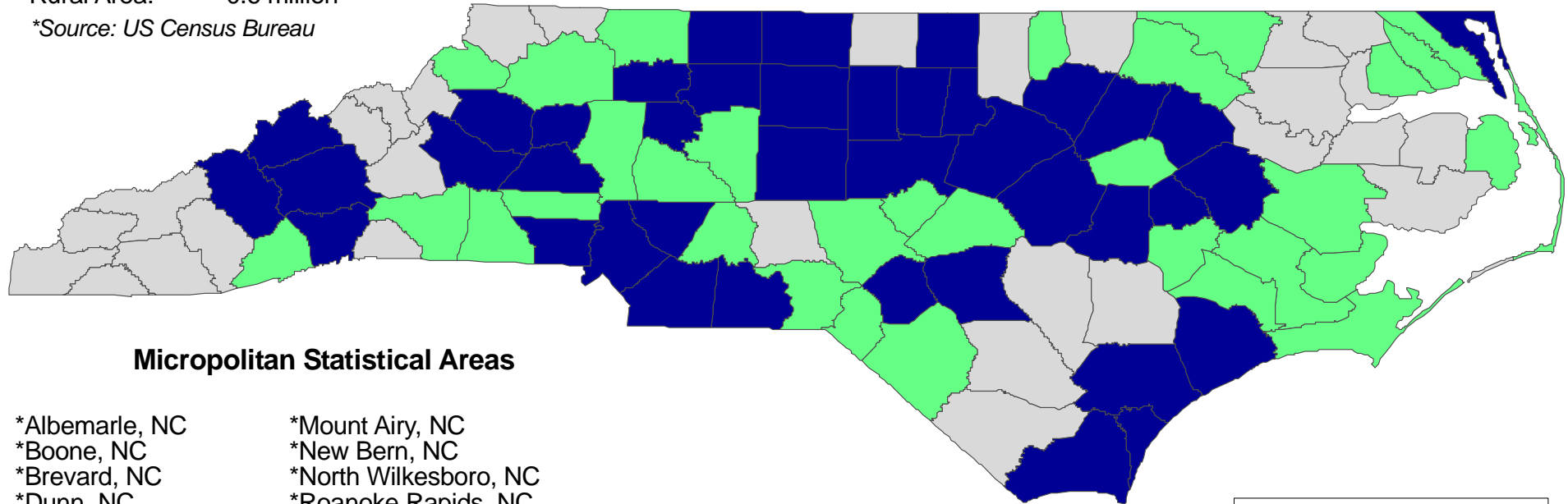
2005 Population Estimates

Metro Area: 6.2 million

Micro Area: 2.0 million

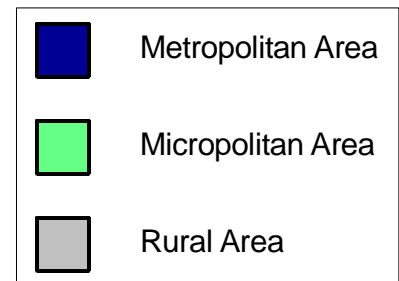
Rural Area: 0.6 million

**Source: US Census Bureau*



Micropolitan Statistical Areas

- *Albemarle, NC
- *Boone, NC
- *Brevard, NC
- *Dunn, NC
- *Elizabeth City, NC
- *Forest City, NC
- *Henderson, NC
- *Kill Devil Hills, NC
- *Kinston, NC
- *Laurinburg, NC
- *Lincolnton, NC
- *Lumberton, NC
- *Morehead City, NC
- *Mount Airy, NC
- *New Bern, NC
- *North Wilkesboro, NC
- *Roanoke Rapids, NC
- *Rockingham, NC
- *Salisbury, NC
- *Sanford, NC
- *Shelby, NC
- *Southern Pines-Pinehurst, NC
- *Statesville-Mooresville, NC
- *Thomasville-Lexington, NC
- *Washington, NC
- *Wilson, NC





Provide Equal Access to Quality Education and Training for the State's Entire Workforce

- Develop incentives within existing initiatives such as Sector Strategies, the Incumbent Worker Program, and JDIG to encourage the development of industry career lattices to assist marginally-skilled workers with career growth
- Survey support organizations for minority and rural populations to identify potential new workforce system partnerships to promote education and training

North Carolina Has A Talent Shortage

Changes in Workforce Demands	Annual Number
<i>To Replace Retiring Workers</i>	60,795
<i>To Fill Projected Net New Jobs</i>	69,825
Total Change in Workforce Demand	130,620
Changes in Workforce Supply	
<i>New Young NC Talent</i>	91,253
<i>In-Migrants, aged 18-54 (assuming all join labor market)</i>	26,760
Total Change in Workforce Supply	118,013
Annual Talent Shortage*	-12,607

*Annual estimate calculated from data provided by the US Census Bureau, UNC/NCCCS and Regional Dynamics annual employment projections 2007 to 2017 Regional Dynamics



Contacts For Additional Input or Questions

- Paul Combs
 - Chair of the Policy, Research, and Assessment Committee
 - combsjp@bellsouth.net
- Heidi Stieber
 - Staff for the Policy, Research, and Assessment Committee
 - hstieber@nccommerce.com
 - 919.715.6658