



September 2008

A Regional Agenda for Prosperity

*An analysis of our workforce challenges and opportunities and an
action agenda to ensure our metropolitan vitality*

The business and political leaders of the Twin Cities Greater Metropolitan Workforce Council work to ensure that the Twin Cities is building a prosperous region through a productive and prepared workforce.

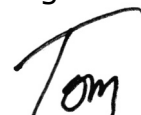
Dear Colleagues ~

This “Regional Agenda for Prosperity” is the second regular report produced by the Greater Metropolitan Workforce Council (GMWC) to identify pressing needs in our regional economy and galvanize support for action steps to meet those needs. Producing a biennial assessment of our region’s workforce needs is a small way in which we can help get business, political, education, economic and workforce development leaders to have a shared understanding of our economic environment and work cooperatively on planning and action.

Our first effort at producing such a document was our 2006 Regional Assessment for a Competitive Economy. It was a big report – and called on a large collection of stakeholders to implement. We’ve swung to, perhaps, the other extreme with this – our new *Regional Agenda for Prosperity*. This document has an updated focus and proposes three concrete action steps.

The GMWC intends in steps one and two, to move forward on the industry sectors of health care and manufacturing – two industry segments critical to our regional economy. Our third action step calls for more conversation among business and political leaders, educators, and workforce and economic development professionals to shape ongoing venues for joint planning and action.

While many are sometimes wary of calls for “dialogue” and “discussion”, our experience is that all good results begin with serious conversation among willing partners. To that end, we invite others to join us in looking broadly across our region for opportunity to help families earn more, businesses be more productive, and jointly work towards a prosperous region for all.



Thomas H. Bodin, Chair

Helping Workers and Businesses Prosper

Regional economic vitality depends upon business productivity and personal prosperity which, in turn, really come down to how people work and earn a living. The Twin Cities Greater Metropolitan Workforce Council (GMWC) sees opportunity to strengthen our regional economy – specifically: how people find work and advance in the workplace, how much they earn from working, and how well we match people, skills, and business needs. In September 2006, the GMWC issued an invitation to Chambers of Commerce, educators, nonprofit partners, and others to focus on these issues and strengthen the regional economy. The invitation identified some strengths and weaknesses in our regional workforce and the systems that bring workers and employers together. The GMWC had a long list of potential initiatives and while we've made progress, there is still much work to do.

A Standing Invitation

This Regional Agenda for Prosperity is the next in the GMWC's biennial assessments of our regional workforce needs and also serves as your standing invitation to strengthen the regional economy. This time, we've created a brief look at our regional workforce needs and selected just a few tasks on which to focus our attention – with your help – in the coming two years.

This Regional Agenda for Prosperity requires shared action – led by organizations like the GMWC and in partnership with educators, economic development professionals, chambers of commerce, labor organizations, nonprofit service providers, and others. Our expectation is that this Regional Agenda for Prosperity will give you some essential facts, move you to act in partnership with others, and then give you direction for finding those partners and making a meaningful contribution to strengthening our regional economy.¹

What You May Already Know

You can scan the newspaper headlines and get a sense of the Twin Cities regional economy, occasionally diving deeper to read the stories beneath the headlines.

Likely 2008-09 "Demand" Headlines

- Employers are still feeling pinched for skilled workers in health-care and segments of manufacturing. Projected growth in nursing and related occupations tops the charts in the Twin Cities and elsewhere in the state.²
- Individuals looking for immediate work will find the most vacancies (and corresponding average annual wage) in office administration (\$27k), retail sales/cashiers (\$20k), customer service (\$31k), and computer software engineers (\$80k and up).³
- Growth is on the horizon for employers and jobseekers in hospitals and home health followed (with a gap) by accountants, auditors, bookkeepers, office administration and related fields. Many of these occupational categories lead to positions in management of companies – an industry sector that also shows much growth in the next decade and has higher wages than many.⁴
- The Twin Cities region stands out relative to statewide industries and occupations in at least two areas: management of companies (e.g., larger business headquarters operations) and performing arts. These are two industry sectors where we have both a "competitive advantage" as compared to the balance of the state; and, where there was employment growth in the last few years.⁵

Those demand indicators, however, only tell half the story. We have some significant bottlenecks on the supply side including:

Major "Supply" Headlines

- Our supply of high school graduates is decreasing as the number of high school graduates in the Twin Cities region is expected to peak next year in 2009 and decline through at least 2015⁶.
- Looking deeper into the worker pipeline, we have disparities that

significantly weaken our ability to deliver skilled workers in the coming two decades. Overall, only about seven of 10 of our region's students graduate on time from high school; rates for Black and Hispanic students are about half of that number. About one of three 11th grade students meet or exceed proficiency standards in mathematics. In third grade, about eight of 10 students meet or exceed reading proficiency standards, again with slightly lower rates among children of color⁷.

What You May Not Yet Know

The high-level information is useful for seeing the broad landscape. However, we also know that you often don't see rich opportunities or deep potholes by looking at a map...you have travel down the road a ways. To that end, the GMWC has selected a few specific industry and occupational clusters where we might choose to act to have a deeper impact on our region:

- Opportunities in manufacturing cannot be overstated: replacement workers for production jobs will be in high demand for the coming decade or more. Although precision manufacturing and metalforming show declines in growth, they remain highly competitive occupations for our region⁸. As an example, in 1st quarter 2008, there were at least 18,000 individuals in machinery manufacturing and related production positions⁹ in the region. Approximately 16% of those workers were age 55 or older in 3rd quarter 2007. If half of those individuals retired in 2009, that small occupational segment alone would require 1440 replacement workers in the region¹⁰. A focus on training adult workers between 2009 and 2013; coupled with an aggressive campaign to move high school graduates into work and future training in manufacturing occupations would need to reach at least 1000 individuals each year to keep production levels current.
- In healthcare, demand in nursing and allied health occupations is overwhelming. In 2004, the MN Department of Human Services identified a shortage of some 1600 nurses and projected that number to double by 2010. Bottlenecks for filling these occupations are primarily due to a lack of qualified faculty to teach and clinical training sites for students. Continuing to clarify and broaden our understanding of available openings, future needs, and training required to meet those needs would help us plan for

- educational offerings in a more timely fashion. With those data in hand, more solutions to clinical training capacity can be addressed (building upon efforts begun in 2008) and we could create incentives and new solutions for finding qualified teaching faculty.
- A shortage of lab technicians is not only a major workforce problem but could quickly escalate into a broader healthcare service crisis. With significant federal grant funds awarded in 2008, industry leaders and education partners are building awareness of this shortage and developing recruiting and training efforts to help avert that crisis.
 - Financial services, although currently in crisis, is a sector in which the Twin Cities has a competitive advantage and which still projects significant growth in the coming decade: business and financial occupations across sectors are expected to grow 20% through 2014¹¹. Further, growth in these occupations creates demand for a host of support occupations including administrative and information technology positions, attorneys, and educational services. A focus on these occupations would also support the Twin Cities' "headquarters operations" as noted above.

Categories for Action

In our 2006-07 Workforce Regional Assessment for a Competitive Economy (RACE) report, the GMWC identified three broad categories of activity intended to move us forward which, as it happens, we think are still useful categories for action:

1. Strengthen and broaden our education pipeline
2. Provide high quality, timely career information on high growth, high demand industries and occupations.
3. Continue to build an effective, long-term "advocacy voice" for regional economic stability and growth

Recent Progress

The GMWC has made progress on the 2006-07 "to do" list. Other partners have also made significant strides toward collective progress during the past two years, which the GMWC applauds.

- **Toward Strengthening and Broadening our Education Pipeline:** Our education pipeline has been improved through several efforts initiated by local Workforce Investment Boards including introduction and expansion of “Teen Zones” in area WorkForce Centers, partnerships with primary and secondary schools on engineering, math, and science curricula, and other innovations.
- **Toward Providing High Quality Career Information and Promoting High Demand Occupations:** Delivering career information about and supporting businesses in high growth, high demand industries has been focused principally on our work in the manufacturing sector – particularly the metalforming segment through the Metropolitan Manufacturing Sector Initiative (MMSI). MMSI began with a small pilot project training 40 individuals following the M-Powered™ program pioneered by Hennepin Technical College and HIRED. Now, with additional support, MMSI is bringing together a network of more than twenty-five businesses in Anoka, Ramsey, and Washington Counties together with businesses in Hennepin, Ramsey, Anoka, and Washington Counties to strengthen our training pipeline for manufacturing.

Local Workforce Investment Boards have also pursued initiatives in healthcare focused on training for direct care workers. The GMWC is poised to have a stronger impact on that sector in 2008-09.

- **Toward Building a Collective Advocacy Voice:** Collective efforts to advocate for regional prosperity were significantly strengthened by the launch of Twin Cities Compass and MetroMSP.org. Twin Cities Compass, a partnership of Wilder Research and the Itasca Project, aims to provide unbiased information about metro trends in eight key subject areas. Twin Cities Compass is a source of information and a platform for collective action on the quality of life in the region. MetroMSP is a website developed cooperatively by area cities, counties, and Chambers of Commerce to promote the Twin Cities region to businesses, site selectors, and real estate brokers. The development of both of these tools creates important new alliances and venues for moving our region forward collectively.

An Action Agenda for Regional Prosperity

In the past, the GMWC created a lengthy “to do” list of ideas and stakeholders to implement those ideas. That list is still there, and we’ll continue to work on it. For now, we are building on our own and others’ successes and focusing attention on three goals outlined here. Two goals are drawn from our second category for action: *providing high-quality, timely career information on high growth and high demand industries and occupations*. The GMWC feels that this is the area in which we can be of greatest value; and, we look forward to supporting others’ efforts that build a stronger regional advocacy voice for economic prosperity.

The GMWC will work toward these goals between September 2008 and August 2010:

- 1) The GMWC will build on existing manufacturing training efforts in the metro region (M-Powered™, Metropolitan Manufacturing Sector Initiative, Twin West Workforce Ready!, etc.) to create more coordinated efforts to train and place adult workers by 2012; and, support promotions/recruitment efforts for current high school and junior high students to enter the profession beginning in 2013.

- 2) The GMWC will expand the current Minneapolis Health Care Careers matrix to provide accurate and timely information about skills needed and current openings in healthcare occupations throughout the Twin Cities. The GMWC will also support industry-led efforts to address bottlenecks in nursing and allied health training in the region.

We also see opportunity to work with partners to build a strong regional voice led by businesses from major Twin Cities enterprises, smaller businesses, and regional industry associations – together with the expertise of economic and workforce development professionals, educators, nonprofit service providers, and others. The GMWC is committed to this work, which is reflected in our third task.

Moving ahead, our challenge is to stay focused and continue to build partnerships among workforce, education, and economic

Moving Together Toward Prosperity

The GMWC will do its part to add value with the workforce goals outlined above; and, encourage other partners to help shape a broad regional strategy for prosperity that creates value for businesses, prosperity for individuals, and a continuing high quality of life for all in the Twin Cities region.

The standing invitation is critical – the only path toward regional vitality and prosperity is one in which business, political, education, labor, nonprofit, and other leaders move together. With a clear focus on these goals, we can make some tangible progress and then continue to identify other areas of action in which we can move, together, toward a region that is productive and prosperous for all.

The GMWC invites partners, allies, and supporters to join us in reaching the goals set out here; and, in addressing other areas not identified here, but critical to our regional prosperity. You can begin by serving on your local Workforce Investment Board, lending your time and talent to a project or initiative, helping identify new workforce challenges, or inviting the GMWC to support an effort that supports our mutual goals.

We look forward to reporting progress in 2010.

- 3) The GMWC will work with others to shape a confederation of organizations including the Itasca Project, regional Chambers of Commerce, public education institutions, nonprofit service providers, labor organizations, and others to be a cooperative venue in which we chart a collective path toward prosperity. A partnership among organizations — not intended to be a new entity — can be a vehicle through which we leverage time, talent, and resources to strengthen the regional economy in these challenging times. Partners will each take responsibility for the functions they can fulfill, being accountable to the other partners as well as their own constituencies. Partners will also identify needs that are not currently being met and for which additional expertise, resources, or activity are needed to ensure our regional prosperity.

ENDNOTES

1 For a more complete and succinct summary of the Greater Twin Cities region, see Rachael Hillman's "state of the region" article at: <http://www.deed.state.mn.us/lmi/publications/trends/1207/twincities.htm>.

2 Citation from Greater Metropolitan Workforce Council 2008 Local Unified Plan. Original data from Employment Outlook, Projected Growth by industry from 2004-2014, MN Department of Employment and Economic Development

3 Citation from Greater Metropolitan Workforce Council 2008 Local Unified Plan. Original data from Occupations in Demand and QCEW, MN Department of Employment and Economic Development

4 Citation from Greater Metropolitan Workforce Council 2008 Local Unified Plan. Original data from Occupations in Demand, MN Department of Employment and Economic Development

5 "State of the Twin Cities Region", by Rachel Hillman, published in Minnesota Economic Trends, MN Department of Employment and Economic Development, December 2007. See: <http://www.deed.state.mn.us/lmi/publications/trends/1207/twincities.htm>

6 Originally published in *Insight*, Minnesota Office of Higher Education, April 2006, with further analysis in "Preparing the Future Workforce", by Rachel Hillman, published in Minnesota Economic Trends, MN Department of Employment and Economic Development, October 2007. See: <http://www.deed.state.mn.us/lmi/publications/review/1007/rs.htm#notes>

7 From Twin Cities Compass: <http://www.tccompass.org/education/index.php>

8 Analysis from www.economicmodeling.com of NAICS codes in manufacturing, courtesy of Jim Zentner, Ramsey County Workforce Solutions.

9 QCEW data, seven-county metro area, first quarter 2008 from MN Department of Employment and Economic Development

10 LEHD data, seven-county metro area, manufacturing occupations from MN Department of Employment and Economic Development

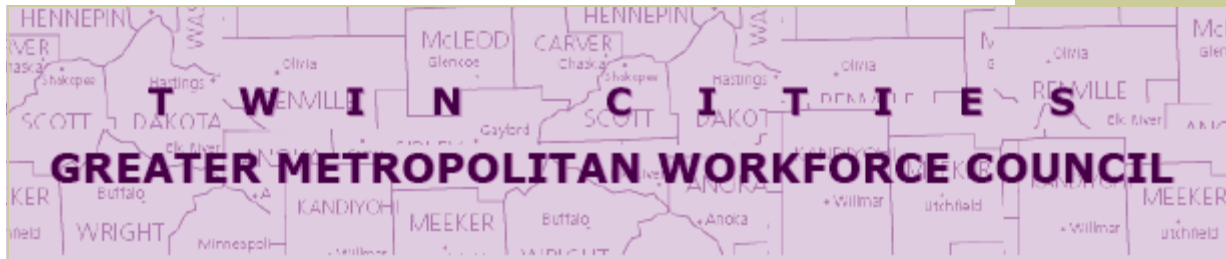
11 Brad Brzezinski, Kathy Carney, Valerie Larkin, & Mary Schmidt, "Minnesota's Financial Services Cluster: DEED's Role in Maximizing Strengths and Mitigating Risks," February, 2008.

How to Reach Key Contacts for the Greater Metropolitan Workforce Council

Workforce Area	Board and Staff Contact Information
Anoka County	Workforce Board Chair Mark Wheeldon, McDonald's Owner mark.wheeldon@partners.mcd.com Staff to Board Jerry Vitzthum 763-783-4801 or Jerry.vitzthum@co.anoka.mn.us
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Washington County	Workforce Board Chair Brenda Carlson, The Entrepreneur's Source carlson_esource@destinyco.com Staff to Board Robert Crawford 651-275-8660 or Robert.crawford@co.washington.mn.us
Central Minnesota	Workforce Board Chair Trish Taylor, Taylor Land Surveyors ttaylor818@yahoo.com Staff to Board Barb Chaffee 763-271-3715 or bchaffee@cmjts.org <i>(Includes Meeker, McLeod, Renville, Kandiyohi, Kanabec, Wright, Sherburne, Mille Lacs, Isanti, Chisago, and Pine Counties)</i>

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www.mncounties3.org/mwca/gmwc.htm



ABOUT THE TWIN CITIES GREATER METROPOLITAN WORKFORCE COUNCIL

The Twin Cities Greater Metropolitan Workforce Council (GMWC) provides oversight and direction to publicly-funded workforce development services in the Twin Cities region.

The GMWC serves as a venue for leadership on workforce issues facing the metro region. The GMWC includes the Chief Elected Officials of the 11 metro counties and the City of Minneapolis; the business leaders who serve as Chairs of each of the Local Workforce Investment Boards (WIB) and the directors of those boards.

Through committees and initiatives, the GMWC works closely with stakeholders including the Minnesota State Colleges and Universities through the Metro Alliance for Customized & Continuing Education, Adult Basic Education providers, the University of Minnesota, private colleges, non-profit community-based service providers, business associations, and others.

You can be involved in the GMWC's work by serving on a local Workforce Investment Board, becoming a partner on a project or committee, or simply attending one of the GMWC's quarterly meetings. See our website for more information at: www.mncounties3.org/mwca/gmwc.htm.