

You're Cordially Invited...



*To Strengthen the
Regional Economy*

**2006/2007 Twin Cities
Greater Metropolitan
Workforce Regional Assessment
for a Competitive Economy Report**

**Workforce RACE
Summary Report and Action Agenda**

This is an invitation to join others in winning a race. It's also a summary of a longer report detailing how Twin Cities' residents, businesses, and other stakeholders are doing in our own races for prosperity, productivity, and economic competitiveness. To read the full report, please see: www.mncounties3.org/mwca/gmwc.htm.¹

This invitation comes to you from the Greater Metropolitan Workforce Council (GMWC) – a body that provides oversight and direction to publicly-funded workforce development services in the Twin Cities region. The GMWC includes the Chief Elected Officials of the City of Minneapolis and county leaders from the metropolitan region; the business leaders who serve as Chairs of each of the Local Workforce Investment Boards in the region; and staff leaders responsible for implementing publicly-funded workforce programs throughout the region. The GMWC has an evolving structure that includes operating committees and 'sector panels' that bring other stakeholders together with members and staff from Local Workforce Councils. Through its structure, the GMWC works closely with MN State Colleges and Universities through the Metro Alliance for Customized and Continuing Education (MACCE), Adult Basic Education providers, the University of Minnesota, private colleges, and business leaders representing their industry sectors. This is not a little race undertaken by just a few people – to see all those who contributed to these data and conclusions, please visit www.mncounties3.org/mwca/gmwc.htm.

The full Regional Analysis for a Competitive Economy, a.k.a, Workforce RACE Report provides an overview of the Twin Cities workforce and an assessment of the challenges facing workers and employers in a rapidly changing global economy. The GMWC plans to produce a Workforce RACE Report every two years. Annually, we'll develop an action agenda for which the GMWC is accountable for some portions; and engages other stakeholders for other portions.

You won't get an invitation like this everyday...

¹ All data in this document are from the full RACE Report where all sources are fully cited. In the interest of space and brevity, citations were not repeated here.

I. Is It Really A Race?

A document like this could be called a “regional scan” or a “state of the workforce report” – for it is indeed each of these. However, the GMWC did not want to produce a static document – but rather an actionable vision that could help individuals and businesses in the metropolitan area mutually benefit and prosper. In gathering and analyzing the data, it became clear that there is urgency to our task. Individuals and businesses are racing for their own prosperity and, in many cases, their own survival. And, as a region, we are competing nationally and internationally for high-growth, high-wage jobs, sustainable industries, and to maintain and further the high quality of life we have come to expect in the Twin Cities. Our challenge is to identify our competitors and understand our competitive advantage relative to each challenger in multiple venues. Like the Olympics or a multi-staged triathlon, we need to win most of our individual contests; and, ensure that we can remain competitive over time.

If we truly understand this to be a race, the immediate question that comes to mind is: How will we win? The simplistic answer is that we will win by being better, faster, smarter and more effective than our competition. However, we have multiple competitors in many individual contests and in each our solution may depend on speed, quality, preparation, endurance, or some other factor. A strategy is needed for us to win where we can based on sheer size or strength, advance in places we are weak, and find the “hidden strengths” of our regional economy. The RACE Report provides the factual foundation for that strategy as a two-year snapshot of our regional economy. This invitation concludes with an Action Agenda that, with your participation, will guide us to be competitive and to win!

II. Understanding The Scoreboard

*I*n order to get our bearings and know in which directions we need to run, push, jump and move in order to win, we first have to understand where we're competing. A look at key economic indicators – the scoreboard – helps us understand the game and how we need to improve.

The largest sectors of economic activity are manufacturing, healthcare and social assistance, and retail trade. The manufacturing sector accounts for 13.3% of all jobs and 16.2% of payroll wages; healthcare and social assistance, 12.5% of jobs and 10.6% of payroll wages. Retail trade accounts for 12.2% of all jobs, but only 6.6% of payroll wages. Not surprisingly, many of these are also growth sectors with growth rates that exceed that MN average of 2.2%: hospital and ambulatory health care services at 5.5% and manufacturing associated with medical equipment and surgical supplies (labeled as miscellaneous manufacturing) at 12.3% represent employment growth in the Twin Cities. We have a number of “distinguishing industries” that contribute significantly both to job openings and to wages in the metropolitan area.

On other indicators, unemployment in the metro area is lower than the national average and usually lower than statewide averages as well. From 2000 to 2002, wages improved – with low-wage earners (<\$10/hr) declining and high wage earners (>\$30/hr) growing. Somewhat troubling is that those in between these two points have done about the same during that period.

On measures of metropolitan competitiveness, the Twin Cities is a relatively high scorer. Using the “Creative Class” index, the Twin Cities ranks 7th in the nation. Our own Great North Alliance Opportunity Forecast recently gave the Twin Cities a “B-“ (down from a “B” the preceding year), suggesting that while the Twin Cities remains competitive with twelve peer regions (we equal or outrank 8 out of 12 regions), we are slipping relative to our own past performance.

III. Defining Demand



One of the core components of any regional economic scan is to look closely at actual jobs/occupations in demand. This is the “demand” side of the supply-demand equilibrium that the labor market seeks.

In our race, it is the demand side that is chasing us, compelling us to run, telling us how far to run and in what direction. By looking at job vacancy rates and unemployment we can begin to assess what kinds of demands businesses are placing on the labor market.

Job vacancies in the Twin Cities region are up by 30.6% over the year, but still remain considerably lower from their peak during 4Q, 2000. Unemployment rates exceed job vacancy rates by more than one percentage point in a few areas suggesting a difficult, competitive market for jobseekers in the Twin Cities region in occupational groups including: agricultural processing workers, secretaries and administrative assistants, woodworkers, and selected sales-related positions.

At the opposite end of the spectrum, eight fields have high levels of hiring demand, with job vacancy rates exceeding insured unemployment rates by more than four percentage points. These fields may have acute shortages of workers. In other words, conditions may be advantageous for jobseekers interested in occupation groups including:

- nursing, psychiatric and home health aides;
- retail sales workers;
- occupational and physical therapy assistants and aides;
- life scientists;
- health technologists and technicians;
- other food preparation and serving related workers;
- other personal care and service workers; and,
- personal appearance workers (beauticians, hairdressers, etc.).

These data, together with longer-range occupational outlook data provided in the full report, tell us specifically where there are shortages and surpluses in the labor market and can point us to particular areas needing short-term investment; or, perhaps requiring a shifting of resources or emphasis so that “suppliers” (education programs and other worker preparation sources) do not direct more people into fields for which there is already an ample supply relative to current or projected future demand.

IV. Understanding the Worker Supply Chain

To address the supply/demand gaps identified above, we begin with presumably “trained and ready” workers whose potential barrier to work is literally getting to work. From there, we move further down the “supply chain” to working-age adults in need of additional work skills and ultimately to our education systems which are intended, in part, to prepare children to become working adults. This “supply chain” analysis includes data on commuting patterns, skill development for working-age adults (both currently employed and unemployed), and finally our educational systems’ success at preparing children and young adults for work. There are fairly comprehensive analyses of each of these components in the full report. For purposes of this invitation, potential partners might consider these specific points:

- *Poor transportation weakens our regional economy.* A 2005 public opinion poll of Twin Cities Greater Metropolitan Area residents ranked traffic congestion or other transportation challenges as the region’s “single most important problem.” For the many residents who drive (or the 78% who drive alone) to work, congestion bogs us down. For the 8% percent of household and rental units in the Twin Cities Greater Metropolitan areas who do not have access to a vehicle; approximately 22% are minority households. Dependence on public transportation to get to work is highest among African-Americans (19%) and Latinos (12%) in the Twin Cities region. Clearly, these transportation issues impact the workforce and business competitiveness and disproportionately contribute to the ethnic and racial gaps cited by the Itasca Group’s “Mind The Gap” study. In addition to inconvenience and a dip into perceived quality of life, excessive commuting time has the potential to divide our labor market. The metro area currently operates as a single labor market, in part, because residents are willing to travel from Anoka to Burnsville or from Andover to St. Paul for work. However, as transportation becomes a barrier to that mobility, we risk a more divided and less efficient labor market.

- *We're running out of people for jobs.* The long-term demographic slide, not unique to this labor market, of the aging Baby Boomers who will turn 65 and start to retire in large numbers in 2011 will soon hit. Consider the following: In 2000 total jobs in the Twin Cities were 1,600,500 with approximately 1,679,800 Twin Cities residents in the labor force. By 2012 employment is projected to be 14.9% higher, or a total of 1,978,200 jobs with an approximate 1,779,200 people in the labor force. That's not enough people to fill the jobs. Further, by grade, the number of students in Twin Cities schools shows fewer students enrolled in elementary grades and more students in high school (grades 9 to 12). We're not keeping pace with demand.
- *We need our immigrants.* The growing immigrant population and relatively higher unemployment in the Twin Cities represent a valuable labor pool for future economic growth, but also bring with them workforce preparation challenges. The demand for Adult Basic Education (ABE) classes is high — enrollment in ABE has increased by 83% since 1995 largely due to interest in ESL classes. Skill training is needed by both immigrant and native-born populations, although federal funding for such training has declined in recent years.
- *Disparities by race, ethnicity, and gender further threaten our "supply chain".* Academic performance disparities along socio-economic divisions threaten the success of many of our students moving through primary, secondary, and post-secondary programs. As an example, results from the Minnesota Comprehensive Assessments (MCA) given to third-grade students shows that white students consistently score higher than students of color in both reading and mathematics. Further, data from our public higher education institutions suggests a growing number of students require remedial work once they have begun a post-secondary program of study – particularly in mathematics, writing or reading.

There are other factoids, trends, and data that show the breaks and weaknesses in our supply chain – but these salient points help us see where our winning strategies lie.

V. How Will We Win The Race?

For long-distance endurance and sustainability, we must improve the “throughput” of our workforce preparation/education pipeline. In the short-term, we have high-stakes and fast-paced competition in specific occupations and industries that we must win if we are to be victorious. Finally, it appears that among businesses, public leaders, workers, and other intermediaries, we are not consistently focused enough to see the race and remain competitive. Three winning strategies emerge:

1. Strengthen and broaden the education/preparation “pipeline”

The aging of the existing workforce, a growing immigrant population, and academic performance disparities along ethnic and racial represent opportunities to strengthen the workforce preparation pipeline. These specific areas represent “blockages” in the flow of prepared workers for Twin Cities’ economic growth. Further, K-12 programming, higher education, immigration issues, welfare programs, and services for people with disabilities should not be treated as separate policy arenas. Each contributes significantly to the future labor supply for the Twin Cities and should be considered in that light.

To that end, the GMWC suggests that political and civic leaders from the metro area focus energy between 2007 and 2010 to:

- Ensure that all children are prepared for K-12 education
- Eliminate significant disparities in educational performance among K-12 students and benchmark performance to other advanced countries
- Remove barriers for Twin Cities residents to pursue continuous life long education and retraining within the Twin Cities (addressing financial aid, English language training, family support needs, and educational access issues)

2. Provide high quality, timely career information on high growth, high demand industries and occupations.

The data show specific growth opportunities in eight high-demand occupational clusters and also the “distinguishing industries” in the region. The GMWC proposes to focus delivery of high quality, timely career information for jobseekers and job-changers to pursue high-demand occupations and career paths in the Twin Cities’ “distinguishing industries”. In many cases, efforts are already underway in manufacturing, printing, health care, and other fields. The GMWC will support existing efforts and facilitate new efforts in needed occupational groups/industries.

Further, as multiple individual metro area workforce councils choose to focus education and training resources on specific high-growth, high-demand occupations, the GMWC will work to create metro-wide approaches to promoting, training, and filling current vacancies in selected occupations and industries.

3. Continue to build an effective, long-term “advocacy voice” for regional economic stability and growth

Working closely with other area leaders in business, labor, education, and among civic institutions, the GMWC sees opportunity to create a metropolitan agenda that will pursue local, state, and federal financial and policy support for key issues facing the metro area beginning with transportation and future economic growth patterns. Recent efforts by other metropolitan leaders have advanced the basic agenda regarding transportation. However, in addition to basic traffic congestion and better public transit options, there is a critical need to improve the connection between the supply of workers throughout the metro area and the location of job centers. Leadership is required to focus workforce and economic development resources to address issues of spatial mismatch. The GMWC will advance this by serving as a convener/facilitator among local economic development practitioners and workforce development providers who can initiate specific projects that address spatial mismatch and/or improve communications and planning efforts to avoid growth patterns that exacerbate spatial mismatch. The GMWC wishes to create an expectation among business leaders, workforce and economic development practitioners, and elected officials for a regular flow of workforce/labor market information that is contextualized and actionable.

VI. When and How to RSVP

An invitation is only valuable if you respond to it. With each of the strategies outlined above, the GMWC could act on its own. But, even if pursued with vigor, our actions would have minimal impact. So, again:

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To Strengthen the Regional Economy

There is no firm RSVP date for this invite. However, an early response ensures a seat at the table and also creates a greater likelihood that you can be part of solving a particular workforce problem before it becomes acute. Later responses will, of course, be welcome – but employers seeking skilled workers would appreciate your involvement as soon as possible.

The following tables outline specific actions that may be pursued in each of the three strategies named above. These are our initial thoughts and ideas; and this invitation is extended to specific partners accordingly. However, the GMWC wants to create a long invitation list – for this is work that brings greater result when joined by many, many other people. There are several ways in which you may respond to this invitation. A starting list of actions you can take includes:

- Reading the full Workforce RACE report at: www.mncounties3.org/mwca/gmwc.htm
- Joining your local Workforce Investment Board to advance these strategies
- Sharing with your local Workforce Investment Board job opportunities, training facilities, or other resources
- Creating a new column on the following tables for your role, and reaching out to one or more of the GMWC contacts to join us in strengthening the regional economy.

Greater Metropolitan Workforce Council

Workforce Area	Board and Staff Contact Information
Anoka County	<ul style="list-style-type: none"> • Workforce Board Chair Mark Wheeldon, McDonald's mawmark@aol.com • Staff to Board Jerry Vitzthum 763-783-4801 or Jerry.vitzthum@co.anoka.mn.us
Dakota and Scott Counties	<ul style="list-style-type: none"> • Workforce Board Chair Cathy Weik, Stratis Health cweik@stratishealth.com • Staff to Board Mark Jacobs 651-554-5622 or Mark.jacobs@co.dakota.mn.us
Hennepin and Carver Counties	<ul style="list-style-type: none"> • Workforce Board Chair Thomas Bodin, OI Partners, Inc. tbodin@oipartners.net • Staff to Board John McLaughlin 612-879-3426 or John.McLaughlin@co.hennepin.mn.us
City of Minneapolis	<ul style="list-style-type: none"> • Workforce Board Chair Carolyn Roby, Wells Fargo caroyn.h.robby@wellsfargo.com • Staff to Board Deb Bahr-Helgen 612-673-5292 or deb.bahr.helgen@ci.minneapolis.mn.us
Ramsey County	<ul style="list-style-type: none"> • Workforce Board Chair Paul Nelson, Shaw-Lundquist pnelson@shawlundquist.com • Staff to Board Mary Jo Gardner 651-779-5653 or Mgardner@rcwib.org
Washington County	<ul style="list-style-type: none"> • Workforce Board Chair Brenda Carlson, The Entrepreneur's Source carlson_essource@destinyco.com • Staff to Board Robert Crawford 651-275-8660 or Robert.crawford@co.washington.mn.us
Central Minnesota	<ul style="list-style-type: none"> • Workforce Board Chair Trish Taylor, Taylor Land Surveyors ttaylor818@yahoo.com • Staff to Board Barb Chaffee 763-271-3715 or bchaffee@cmjts.org <p>(Includes Meeker, McLeod, Renville, Kandiyohi, Kanabec, Wright, Sherburne, Mille Lacs, Isanti, Chisago, and Pine Counties)</p>
<p>GWMC CONTACTS: Thomas Bodin, Chair Luke Weisberg, Staff Consultant</p>	<p>952-417-7201 tbodin@oipartners.net 612-377-3043 weisberg@lukeworks.net</p>

Don't wait for another invitation...join us now and we'll win the workforce race together.

A BEGINNING ACTION AGENDA

Strategy	Action / Activity	Other potential partners (starting list)	Possible Local Workforce Councils Roles
Strengthen Education / Workforce Prep Pipeline	A) Increase investments in early childhood learning	<ul style="list-style-type: none"> • MN Early Learning Fund • MN School Readiness Business Advisory Council • Ready4K • MN Child Care Referral Network 	Advocate support
	B) Support / expand efforts to strengthen K-12 completion rates specifically for low-income and lower-performing student groups including New Americans	<ul style="list-style-type: none"> • iSeek Solutions • Local School Boards • Achieve! Minneapolis • Citizens League • MN State Colleges and Universities • English Language Learner service providers 	Advocate support
	C) Support / expand school-age workforce-focused services, specifically summer jobs programs	<ul style="list-style-type: none"> • Achieve! Minneapolis • iSeek Solutions 	Lead efforts to consider a metro-wide summer jobs initiative?
	D) Educate future workers about career assessment and planning	<ul style="list-style-type: none"> • iSeek Solutions • Adult Basic Education partners • MN Office of Higher Ed • MN State Colleges and Universities 	
	E) Support more affordable and accessible educ for low-income/low-skilled workers	<ul style="list-style-type: none"> • iSeek Solutions • Power of You program • MN State Colleges and Universities • University of MN • MN Campus Compact 	Engage in a fundraising effort?

Strategy	Action / Activity	Other potential partners (starting list)	Possible Local Workforce Councils Roles
Fulfill High Growth-High Demand Occupations	A) Manufacturing	<ul style="list-style-type: none"> • MN Mfg Alliance • MN Precision Manufacturers Assn • MN Dept of Employment and Economic Dvlpt • MN State Colleges and Universities • University of MN 	<p>Led by business 'sector panels' and supported by stakeholders from MnSCU, private colleges, Adult Basic Education Partners, U of M, community-based service providers, advocates, and others</p>
	B) Nursing/ Health Care	<ul style="list-style-type: none"> • MN Hospitals Assn • Healthcare Education Industry Partnership • MN Dept of Employment and Economic Dvlpt • MN State Colleges and Universities • University of MN 	
	C) Transportation	<ul style="list-style-type: none"> • Industry and Business Partners • MN State Colleges and Universities • University of MN 	
	D) IT Security	<ul style="list-style-type: none"> • Industry and Business Partners • MN State Colleges and Universities • University of MN 	
	E) Other sectors/ occupations	<ul style="list-style-type: none"> • Econ Dvlpt Assn of MN • Governor's Workforce Development Council • Industry and Business Partners • MN Job Skills Partnership Board • MN Dept of Employment and Economic Dvlpt • MN State Colleges and Universities • University of MN 	<p>GMWC will convene and facilitate "fast track" efforts among key stakeholders to address one or two acute occupational shortages facing the metro area</p>

Strategy	Action / Activity	Other potential partners (starting list)	Possible Local Workforce Councils Roles
Build Regional Advocacy Voice	A) Promote regular flow of information and analysis on regional economic trends	<ul style="list-style-type: none"> • Great North Alliance • ‘Accelerate Business Today’ Chamber Consortium • Other public and private businesses 	Lead efforts to bring sources and/or reporting opportunities together and build awareness among civic and business leaders
	B) Promote regular flow of information and analysis on regional disparities and inequities	<ul style="list-style-type: none"> • Itasca Group • Wilder Foundation • Great North Alliance 	
	C) Identify legislative champions for workforce development concerns	<ul style="list-style-type: none"> • Business leaders • Elected officials • State agencies • Political leaders • Other workforce stakeholders 	GMWC partner with other organizations to purposefully cultivate relationships with selected elected officials



**TWIN CITIES
GREATER METROPOLITAN
WORKFORCE COUNCIL**

www.mncounties3.org/mwca/gmwc.htm

