



ADVANCED MANUFACTURING TRAINING IN JOPLIN, MO

## FINDING A SKILLED, AVAILABLE WORKFORCE LOCATION

As this article is being written COVID-19 has reached around the world causing human and economic harm. The long-term impact of this virus has yet to be seen, but if history is any indication then there will be an eventual economic rebound as there was from the SARS and MERS epidemics. Economists already indicate, however, that one of the outcomes may be companies seeking to shorten supply chains; more fully operating within continental markets.

With that in mind, the need for an available and skilled workforce will likely continue to be a long-term driver for companies considering expansion at their current location or seeking a new location for operations. The economic impact of COVID may create unemployment and an available labor pool in some areas. Long-term, however, there are several fundamental trends that are reflected in the U.S. workforce. According to a November 2019 report by The Conference Board, a non-profit, non-partisan workforce think tank, there are a number of workforce changes that will impact availability of workforce for the next decade.

First, the Baby Boomers are retiring. This year is the mid-point of the Boomer generation and

while many are and will work past 65, the reality is that forty-million of them working right now will leave the workforce by 2030.

Second, workforce participation has not completely rebounded to the levels seen prior to the 2008 recession; with a significant portion of that the gap in the younger generation. The Conference Board reports several shifts that are causing this impact. In the Gen Z group (8-24 yr. old) there is a higher percentage of people going to college, delaying workforce entry. On the flip side, there's a relatively large group that finished high school but does not have skills needed to find good employment.

Because of these changes and others, companies need to dig more deeply to identify locations where they can find employees with skills needed to do the job.

### UNEMPLOYMENT RATES DON'T TELL THE WHOLE STORY.

Even where unemployment rates are higher than national and/or state averages, the sheer numbers don't indicate if there are people willing to change jobs or come back into the workforce for a better employment fit. Those

numbers also do not indicate the existing skill levels that may benefit an employer, expanding or new. Companies should look for areas that help them peel back the layers of the labor market.

### LABOR MARKET DATA SOURCES HELP WITH NUMBERS AND POTENTIAL SKILL SETS.

Labor market data firms such as EMSI and Chmura have greatly expanded content and ability to get more nuanced at the local/regional levels. This information can show numbers of people in a sector (manufacturing, health care) and also by Standard Occupation Codes (CNC machinist, physical therapist). This data also shows direct wage rates and Cost of Living adjustments. There is also a Location Quotient component which indicates the "density" of a sector or specific occupation relative to the U.S. labor market.

While there is a lag time in the information as it is aggregated from Federal and State data, it is also consistent across communities, counties and states. This helps compare communities in their ability to support a business sector as well as indicate if the number of people in specific occupations and wages are competitive for a company.





#### GET DEEPER INTO THE MARKET:

Companies should also see if the community and/or region has an on-the-ground survey of businesses and residents to give a better picture of the overall labor market. For example, I recently completed a study for a smaller rural community (Houston) in Missouri. This community has a lot of amenities and a good manufacturing base it would like to grow. The study included standardized data noted above, but also interviews with employers and with more than 400 working residents. The study found the employers gave high marks to the work ethic in the area, but also a need to expand the labor pool. It also found a significant group of people with manufacturing related skills 20-40 minutes commute time away who were going to other communities but who would shift to employers in Houston for better jobs. That information helps local employers focus their recruiting efforts but also will help the community show it has an available labor for new companies.

#### VALIDATE BASIC AND ESSENTIAL (SOFT) SKILLS.

It is easier to ramp up operations when new hires have the basic skills to do the job. More than 26,000 U.S. companies are finding the National Career Readiness Certification helps them find employees with job specific, basic skills in reading, math and utilizing information. NCRC was introduced more than a decade ago by ACT, as an extension of its many years of WorkKeys job profiling. ACT found several of the basic skills levels align across business sectors and jobs. Consequently, proficiency can be tested to a "certification" level that is relevant to numerous jobs. The NCRC approach engages schools, colleges and universities in testing their students

for certification. State Job Centers test people seeking employment as well. This provides a base of people seeking employment who are independently certified as having the basic skills needed for a job. ACT also has expanded testing for soft skills, such as communication and team work styles. Employers using NCRC in their hiring as well as testing for promotion find it helps both attraction and retention of quality employees. Nearly 500 counties in 30 states are NCRC locations.

#### WHO IS AGGRESSIVE IN TRAINING THE WORKFORCE:

A community's ability to provide an ongoing skilled workforce is very important. Numerous communities across the United States have taken steps to address their existing employers needs in certain sectors. These local efforts also provide capacity to train for similar companies seeking new locations. Noting the number of high school graduates who have limited or no specific skills as mentioned above earlier, many communities are providing more intense, job specific training. This credentialed training helps employers upskill their existing workforce and can be paired with apprenticeship programs to help high school students graduate with specific skills employers need.

An example of that is the partnership among the

Joplin Area Chamber of Commerce, Crowder College and City of Joplin, Missouri to create the Advanced Training and Technology Center. Seeing a need to support the manufacturing sector, the Chamber acquired a vacant warehouse building. The City helped with funds for remodeling and equipment. Crowder provided focused skills training in advanced manufacturing, high-skill welding and industrial maintenance. Crowder has an aggressive outreach to high schools to help their students learn skills in the credentialing model. While companies are using the facility for apprenticeship and existing employee training, they also hire graduating high school students who have bolstered their job skills.

As companies considered which existing location to expand or what community would be a good fit for a new operation, the availability and skills of the current and future workforce become critically important. Companies should look at communities that have standardized and on-the-ground data that help show the fit, that are using tools to validate basic potential skills such as NCRC and that have and are taking steps to train their residents for the future. They should also look for those places that are combining, linking and leveraging these and other workforce tools to benefit existing employers. Those communities are there to ensure their employers success for the long-haul.



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