REGION 2000 WIB

WORKFORCE INVESTMENT BOARD

STRATEGIC PLAN (2013-2016)

A member of Virginia's Region 2000 Partnership

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INTRODUCTION

The Region 2000 Workforce Investment Board (WIB) is a business-led body charged with ensuring that employer workforce needs are met through strategic partnerships, policies and service strategies that enhance employment and training efforts. The WIB membership also draws from the region's education, economic development, organized labor, community-based organizations and public workforce partners to ensure that stakeholders are engaged in discussions and solutions.

This plan serves as the organizing framework for the WIB over the next three years. It was developed through a process that first actively sought input from the employer and business community; and followed with opportunities for local government, partner organization and public review and input.

The WIB recognizes that the depth and breadth of workforce development issues extend beyond that over which its authority or resources alone can completely address. The ultimate success of workforce development efforts in Region 2000 is reliant upon many partners from the private and public sectors regularly convening around the table, having the important discussions and collectively finding the answers. The WIB stands ready to set the table.

> *"STRATEGY IS NOT THE CONSEQUENCE OF PLANNING BUT THE OPPOSITE; IT'S STARTING POINT"- HENRY MINTZBERG*

VISION, MISSION AND GOALS:

The Region 2000 WIB supports economic vitality through a skilled workforce.

Our mission is to advance a workforce development system that meets business and jobseeker needs.

The WIB's goals for 2013-2016 are to:

- Support growth in the emergent workforce.
- Enhance the existing workforce.
- Engage with the business sector to ensure alignment of workforce services to needs.
- Maximize organizational efforts and efficiencies that enhance workforce devel opment services.

Critical to the actualization of these goals is an annual process that will identify specific actions, responsible parties and measurable outcomes. These action plans will allow the WIB to monitor both the successes and challenges in moving the workforce development meter in Region 2000.

PART I: ENVIRONMENTAL SCAN

As part of the planning process, the WIB reviewed various inputs to discern foundational elements that impact upon the practice of workforce development. These points included data, contemporary feedback from the business and employer community and a self-assessment conducted as part of a SWOT analysis.

"IF WE COULD FIRST KNOW WHERE WE ARE AND WHITHER WE ARE TENDING, WE COULD BETTER JUDGE WHAT TO DO AND HOW TO DO IT."- ABE LINCOLN

A. WHAT THE DATA SAYS:

DATA POINT	STATUS	COMPARISON INDICATOR	COMPARED TO	NOTES
POPULATION GROWTH, LAST 5 YEARS	3.9%	↓	STATE RATE	THE STATE GROWTH RATE WAS 5.7% FOR THE SAME PERIOD
AVERAGE EARNINGS 2012	$38,655	↓	NATIONAL AVERAGE	REGION 2000 WAGES ARE AT 76% OF THE NATIONAL AVERAGE
PERCENT OF FAMILIES BELOW THE POVERTY LEVEL 2011	10.9%	↑	STATE RATE	THE STATE RATE WAS 8.2% FOR THE SAME PERIOD
JOB GROWTH PROJECTION, 2013-2018	7.5%	↑	REGIONAL GROWTH FROM 2008-2013	JOB NUMBERS OVER THE PAST 5 YEARS DECREASED SLIGHTLY AT A RATE -.01%
UNEMPLOYMENT RATE (OCTOBER 2012)	5.9%	↑	STATE RATE	STATE RATE FOR SAME PERIOD WAS 5.4%
UNEMPLOYMENT RATE (OCTOBER 2012)	5.9%	↓	NATIONAL AVERAGE	STATE RATE FOR SAME PERIOD WAS 7.5%
ON-TIME HIGH SCHOOL GRADUATION (2011)	84.5%	↓	STATE AVERAGE	STATE RATE WAS 88%
PERCENT OF POPULATION OVER 25 WITH HIGH SCHOOL DIPLOMA OR LESS	46.9%	↑	STATE AVERAGE	STATE RATE WAS 31.1%
PERCENT OF POPULATION OVER 25 WITH SOME COLLEGE BUT NO DEGREE	21.9%	↑	STATE AVERAGE	STATE RATE WAS 20.1%
PERCENT OF POPULATION OVER 25 WITH SOME COLLEGE LEVEL DEGREE	31.1%	↓	STATE AVERAGE	STATE RATE WAS 42.1%

DETAILED DATA NARRATIVE

DEMOGRAPHICS

The region's population currently stands at about 256,739. This represents 3.9% growth over the last five years, slightly lagging the state's 5.7% growth rate for the same period. When grouped by categories, the largest percentage of our population (27.3%) is in the 40-59 year old age range, followed by 25.3% in the 20-39 year old age range. 24.5% of the population is under the age of 20 and 22.9% is 60 or older.

THE ECONOMY (2011)

The Gross Regional Product value was just over \$8 billion. Total earnings were \$5 billion, with \$587 million in taxes on production. Exports were \$11 billion, with imports at \$12 billion. Local production and consumption was at \$5 billion, or 30% of the total demand.

WAGES AND INCOME

The 2012 average earnings in the region were estimated at \$37,676, which is 75% of the national average. By industry, utilities reported the highest average earnings at \$76,072, followed by manufacturing at \$66,986 and professional, scientific and technical services at \$62,174. Lowest average earning were reported in the arts, entertainment and recreation industry at \$10,458.

The median household income in 2011 was \$46,734. The percentage of families with food stamp benefits was 13.2%, compared with a statewide percentage of 9.6%. The percentage of all families below the poverty level was 10.9%, compared to a statewide percentage of 8.2%.

JOBS AND EMPLOYERS

Total job numbers in the five year period from 2008 – 2013 are projected to be basically flat, decreasing slightly from 143,366 to 143,292. (-0.1%). This compares to a modest overall growth rate of 3.3% at the state level. However, the regional projection for the five-year period from 2013 to 2018 is 7.5% job growth.

For the second quarter of 2012, the largest percentages of employment grouped by industries were: manufacturing – 15%; government – 14.7%; healthcare and social assistance – 14% and retail trade – 13%.

The retail industry reported the most new hires in the quarter ending December 2011, followed by administrative support and accommodation and food services. Highest turnovers were reported in the administrative support, accommodation and food service and real estate industries.

Among the region's 6,687 total employees, 95% have fewer than 50 employees. Nearly 60% have less than five employees.

The number of business start-ups in the region has been trending downward from a high of 70 in the third quarter of 2010, to 47 in the most recent reported quarter of 2012.

Job Growth by Occupations, projections in order of total openings:

Description	2013	2018	Change	Wage
Sales and Related Occupations	19,883	21,278	1,395	$12.27
Office and Administrative Support Occupations	20,212	21,387	1,175	$13.94
Management Occupations	9,201	10,264	1,063	$22.17
Personal Care and Service Occupations	5,803	6,746	943	$9.06
Business and Financial Operations Occupations	6,322	7,245	923	$24.03
Education, Training, and Library Occupations	7,756	8,622	866	$16.74
Healthcare Support Occupations	4,357	5,057	700	$11.32
Healthcare Practitioners and Technical Occupations	6,634	7,302	668	$29.10
Food Preparation and Serving Related Occupations	9,157	9,802	645	$9.26
Building and Grounds Cleaning and Maintenance Occupations	5,863	6,403	540	$9.44

Job Growth by Occupations, projections in order of highest wages

Description	2013	2018	Growth	Wage
Architecture and Engineering Occupations	2,654	2,822	168	$35.15
Legal Occupations	724	826	102	$29.82
Healthcare Practitioners and Technical Occupations	6,634	7,302	668	$29.10
Computer and Mathematical Occupations	1,653	1,850	197	$28.63
Life, Physical, and Social Science Occupations	1,059	1,153	94	$28.00
Business and Financial Operations Occupations	6,322	7,245	923	$24.03
Management Occupations	9,201	10,264	1,063	$22.17
Installation, Maintenance, and Repair Occupations	5,427	5,616	189	$17.76
Protective Service Occupations	2,568	2,754	186	$17.44
Community and Social Service Occupations	2,865	3,328	463	$17.33

UNEMPLOYMENT

The region's unemployment rate for October 2012 of 5.9% is slightly higher than the state rate of 5.4%, but below the national rate. For this period, Campbell County had the lowest rate (5.2%), and Bedford City had the highest (8.6%). It was estimated that in October 2012, there were 1.6 unemployed people per current job opening.

Another factor to consider; however, is the number of people not currently working that are not reflected in unemployment rates. The civilian labor force used to calculate unemployment rates is based on those over 16 seeking a job or already employed. That figure for Region 2000 is 126,494. However, according to the 2010 Census there were 170,452 people in the commonly-considered working age range of 20-64. This equates to a labor force participation of slightly over 60%. (Or 40% of the working-age population is not working). The state rate is 65%.

EDUCATION

Our region's on-time high school graduation rate for the class of 2012 was 85.4%, below the state rate of 88%. Amherst and Bedford were higher than the state rate, with Appomattox, Campbell and Lynchburg below.

The education levels for those over the age of 25 is below, both for the region and the state.

	Less than 12th grade	High School	Some College	Associate's	Bachelor's	Graduate
Region 2000	13%	33.9%	21.9%	7.3%	15.8%	8.0%
Virginia	12%	25.6%	20.1%	7.0%	20.5%	14.6%

Almost one-half, or 47%, have a high school diploma or less. A potential for concern with this fact is that the region's percentage of the workforce with no post-secondary education lags the state by nearly 10%. A recent study by Georgetown University estimates that 66% of jobs in Virginia will require some post-secondary education by 2018.

The largest gaps between post-secondary completions from the region's colleges and job openings in 2012 were in the financial and real estate sectors.

Note: Sources for this narrative include Economic Modeling Specialists, the Virginia Department of Education, the Virginia Economic Development Partnership, the Virginia Employment Commission, the US Bureau of Labor Statistics and the US Census Bureau.

B. WHAT EMPLOYERS HAVE SAID

ON-LINE SURVEY

50 employers from throughout the region responded to an on-line survey that was launched in October of 2012. The survey posed a series of questions about hiring, workforce issues and service needs. One-third of responses were from the manufacturing sector; with healthcare, education and government following as other prevalent sectors. The size of employers responding ranged from 1 employee to over 6,000 employees.

HIRING STATUS:

Nearly 48% of respondents indicated they were currently hiring. 20% indicated plans to hire within six months, with 9% planning to hire within one year. The highest number of openings reported was 300. Six respondents indicated openings in the 15-100 range. There was great variation in the types of openings, with no single type emerging as most common.

50% of responders indicated they are having difficulty in filling open positions. The top three cited reasons are: Lack of required technical skills (68%); mismatch between candidate expectations and employer offerings (36.8%); and poor presentation of candidates (26.3%).

EDUCATION REQUIREMENTS:

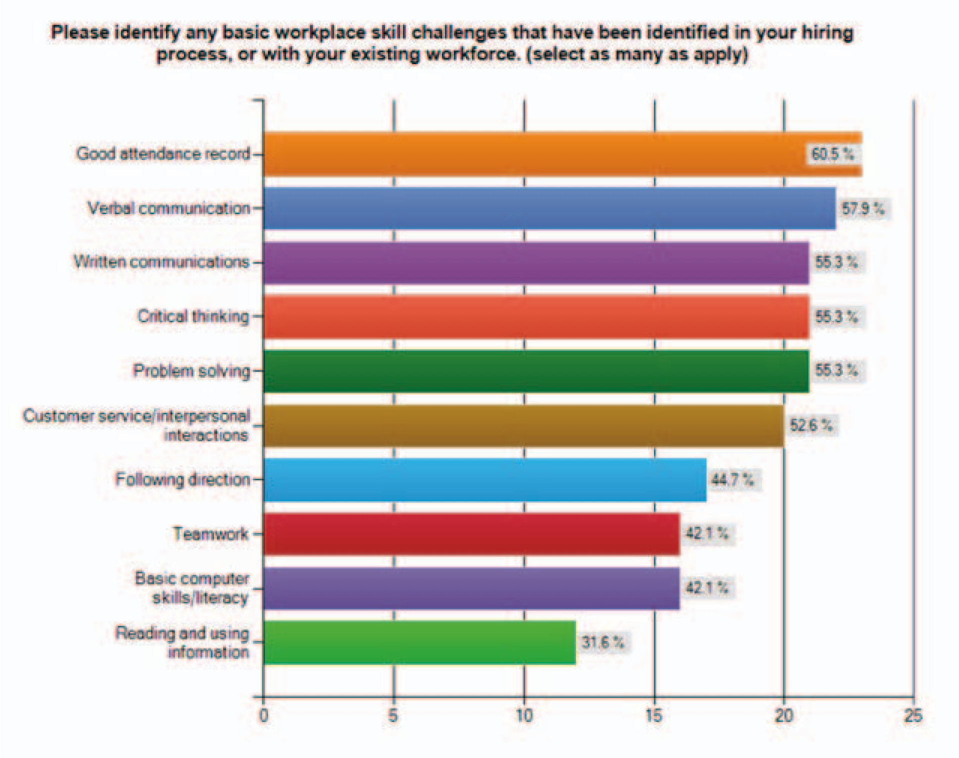
76% of responders indicate that a high school diploma is required in hiring, while 43% require some post- secondary education up to a bachelor's degree. (Certificate – 8%; Associate's – 12%; Bachelor's – 23%).

REGULAR USAGE OF THE PUBLIC WORKFORCE SYSTEM:

Less that 20% of respondents regularly use the service of the agencies that comprise the public workforce system.

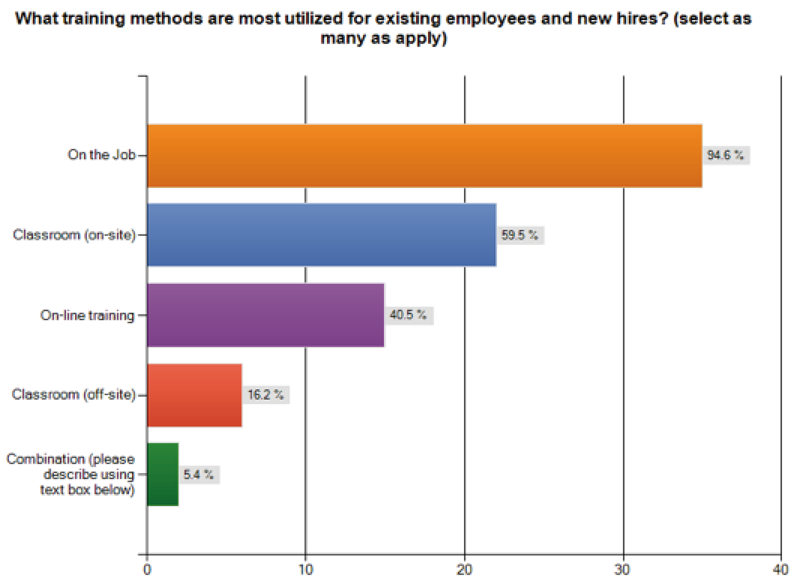
CHARACTERISTICS OF THE WORKFORCE:

Respondents noted the concerns in the following chart, with either their existing workers or those being interviewed.



EMPLOYEE TRAINING:

Among the respondents, most prefer on-site training over off-site methods, and the vast majority (68%) prefers to use in-house staff to conduct the training as opposed to colleges.



ROUNDTABLE DISCUSSIONS

During October and November of 2012, regional roundtable discussions were held at four locations throughout the region as a way to capture additional "real time" information from employers and businesses on the types of workforce challenges they are currently experiencing. This summary list below represents the universal themes that were identified in these discussions:

- Lack of technical skills ("middle" skills gap), especially in engineering, technology
- Diminished work ethic, apparent unwillingness to work, high turnover
- Lack of basic work readiness and/or soft skills
  (*Examples: communications, math, problem solving, team work, punctuality, loyalty/commitment, initiative, ability to lead others, making decisions from data)*
- Aging of current workforce (with concerns about the ability to "back-fill" positions from the younger generations)
- Access to workforce services is fairly limited in some jurisdictions
- Inability to pass background checks (drugs, criminal record etc.)
- Unrealistic expectations of candidates and employees (personal/reward focus)
- Change in generational attitudes towards work
- Overemphasis on four-year college degree track over technical/trade career opportunities
- Lack of local offerings for training in human performance, lean manufacturing, six sigma, instrumentation
- Non-professional/unskilled workforce makes it difficult to promote from within to more advanced and/or supervisory positions, or to recruit locally to fill these types of jobs.

C. WIB STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT)

Equally important to understanding the data and current employer needs is the WIB's understanding of itself as an organization charged with responding to those needs. A SWOT analysis conducted in August of 2012 yielded the following assessments. (Polling was used for ranking within each category. Items yielding less than 80% of votes are not listed):

STRENGTHS

- Large membership with diversity of interests.
- Fiscal integrity of operations.
- Recent recruitment of new members.
- Institutional knowledge (long term core members, stable leadership).
- Interest in helping the hard-to-serve.
- Focus and interest on youth.

WEAKNESSES

- Lack of community awareness of the WIB and its services.
- Access to programs and services is not consistent in all jurisdictions.
- Historical lack of discussion and engagement at meetings.
- Not capturing employer needs and using policies/funds to respond.
- Reliance on federal WIA funds only.
- Historical focus on programs and operations (vs. strategy/policy).

OPPORTUNITIES

- Quality higher education institutions in region (public/private).
- Regional representations on Virginia Workforce Council.
- Low cost of living and quality of life appeal to potential workers.
- Good K-12 school systems.
- Momentum around STEM efforts with education and business engagement and leadership.
- A higher number of professional and technical jobs compared to areas of similar size.

THREATS

- Lack of soft skills/work readiness in workers.
- Uncertain funding environment.
- Not enough emphasis on or awareness of viability for technical/trade career opportunities.
- Slow economic recovery.
- Percentage of working age population without a diploma/GED.
- Upcoming elections and potential for administrative changes that could result.
- Generational changes in work attitudes.

PART II: OUR RESPONSE

Following the review, analysis and discussion of the environment that impacts upon workforce development, some common themes emerged as universal threads that weave throughout the various sources of input. These themes have been translated to the goals that follow below. Each goal is further delineated into strategies that can be deployed to advance the goals over the life of this plan.

"IT'S NOT THE SITUATION...IT'S YOUR REACTION TO THE SITUATION." - ROBERT CONKLIN

GOAL 1 - SUPPORT GROWTH IN THE EMERGENT WORKFORCE

Strategies to Advance Goal 1

1. Encourage efforts that strengthen K-12 and pre-K education; particularly foundational areas important for all employment after school; such as reading, English and math.

2. Enhance connections between employers and schools so that students, teachers and parents might become better informed of and aware of employment needs and opportunities in the region, and also so that employers might gain a better insight into the future workforce.

3. Increase awareness of the viable technical and trade career opportunities in the area, and promote ways to assist students not entering the 4-year college track in mapping career pathways that lead to such opportunities.

4. Seek ways to encourage alignment of education with industry standards and high demand, high growth occupations in the region. Also seek ways to encourage and enhance STEM-related educational efforts.

GOAL 2 - ENHANCE THE EXISTING WORKFORCE

Strategies to Advance Goal 2

1. Identify, develop and/or promote delivery of "basic work readiness" skills courses and certifications.

2. Utilize educational and career pathway approaches that take individuals to at least the "next step" from where they enter. (diploma, degree, certificate, credential)

   Integral to this strategy is any effort that raises the level of post-secondary educational attainment in our region's working age population.

3. Encourage and enhance programs geared to training and certifications for "middle skills" careers.

4. Continually improve upon delivery of workforce programs/services so that they are a "value added" to those seeking assistance.

GOAL 3 - ENGAGE WITH THE BUSINESS SECTOR TO ENSURE ALIGNMENT OF WORKFORCE SERVICES TO NEEDS.

Strategies to Advance Goal 3

1. Identify and/or confirm critical industry sectors and clusters; along with the related positions and education needs.

    a. Determine the gaps that exist between those needs and the current and future workers in the region.

    b. Determine through data and employer engagement the extent to which retirements will create gaps.

2. Convene or participate in employer roundtables to gain regular insights into workforce issues, concerns and needs.

3. Expand efforts to reach smaller businesses, assess common needs and provide them with services.

4. Establish a baseline of employers served each year and annually increase the "market share" of the region's employers that are served.

GOAL 4 - MAXIMIZE ORGANIZATIONAL EFFORTS AND EFFICIENCIES THAT ENHANCE WORKFORCE DEVELOPMENT SERVICES

Strategies to Advance Goal 4

1. Establish a WIB committee structure that supports and advances goals.

2. Increase awareness and use of workforce system services.

3. Extend and enhance service delivery and/or access more uniformly throughout the workforce area.

4. Lead and encourage efforts to eliminate duplicative and redundant services to better maximize use of available resources.

5. Identify and seek sources for a more diversified funding portfolio.

NEXT STEPS

Within three months of adopting this Strategic Plan, the WIB will complete its first of three annual action plans. These documents will identify specific actions, outcomes and responsible parties to implements WIB goals and strategies. The action plan will developed using the format below:

WHAT (ACTION)	**WHEN** (TIMELINE)	**WHO** (RESPONSIBLE PARTIES)	**HOW WILL WE GAUGE SUCCESS?** (OUTCOME(S))

At the end of each action plan year, a dashboard will be used to indicate for each item if the "meter" has moved forward, stayed constant, or moved backwards. This will provide the WIB with the ability to know what is working and what needs further adjustment/attention.

WORKFORCE INVESTMENT BOARD

REGION 2000

WIB

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