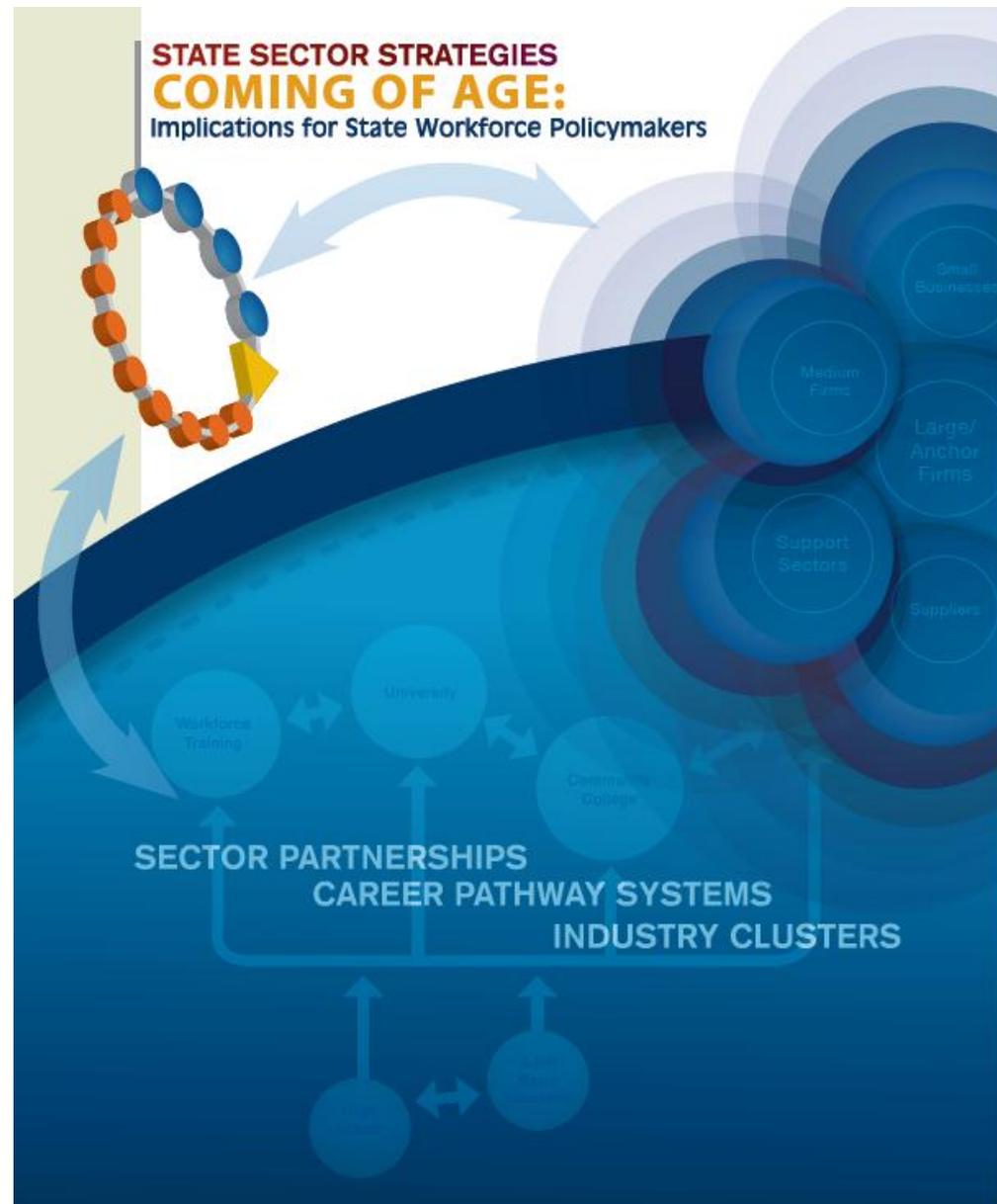


A National Perspective on Workforce Challenges and Solutions

June 19, 2013

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NATIONAL GOVERNORS ASSOCIATION



New Realities:

EDUCATION, WORKFORCE & ECONOMIC DEVELOPMENT



- I. There is increasing debate about a **skills mismatch** in our economy.

- II. We are witnessing deep and long-term impacts from **stagnant job growth**.

- III. We must address these challenges with **fewer resources**.

New Realities: Skills Mismatch

EDUCATION, WORKFORCE & ECONOMIC DEVELOPMENT



- 64% of companies say they cannot find qualified applicants for management, scientific, engineering or technical positions.

-McKinsey Survey

- 67% of small and midsize manufacturers report moderate to severe workforce shortages, and they predict this will get worse not better.

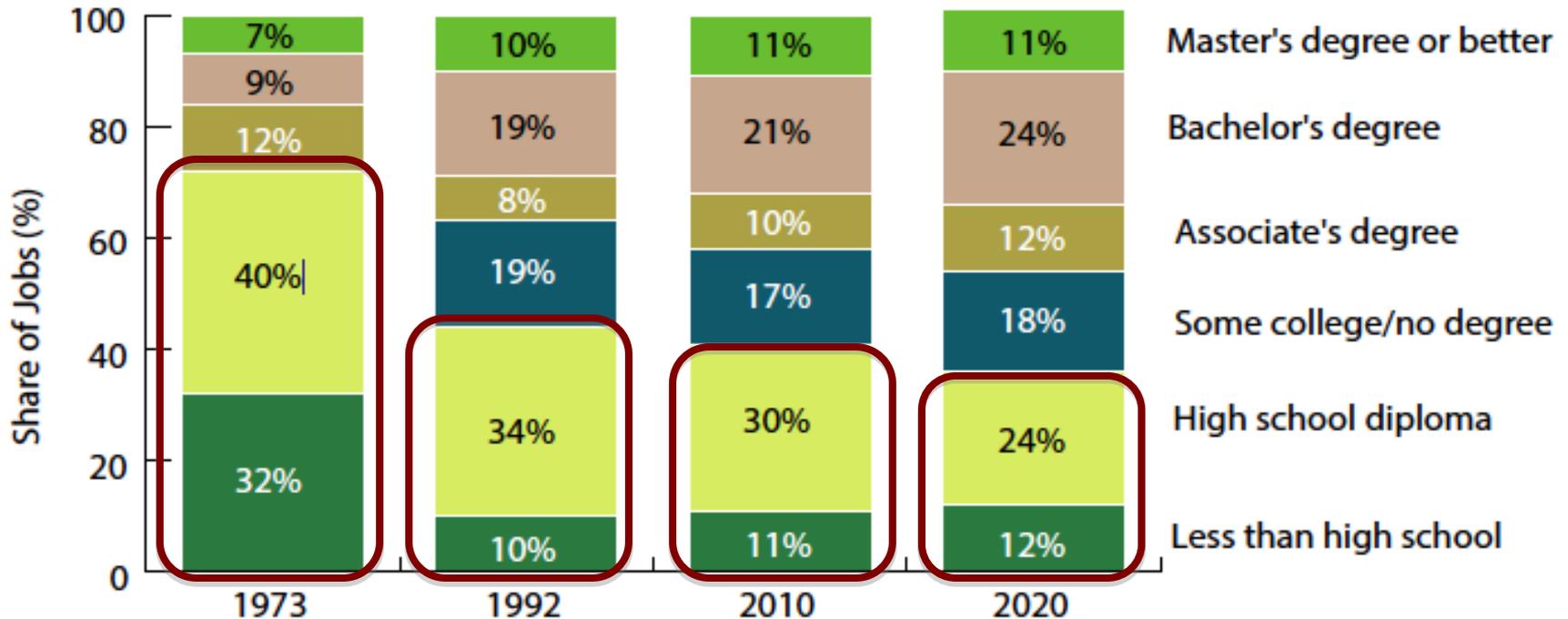
-National Manufacturing Institute Survey

New Realities: Skills Mismatch



EDUCATION, WORKFORCE & ECONOMIC DEVELOPMENT

By 2020, nearly two out of every three U.S. jobs will require some postsecondary education and training.



Source: Georgetown Center on Education and the Workforce, "Career and Technical Education: Five Ways That Pay Along the Way to the B.A."

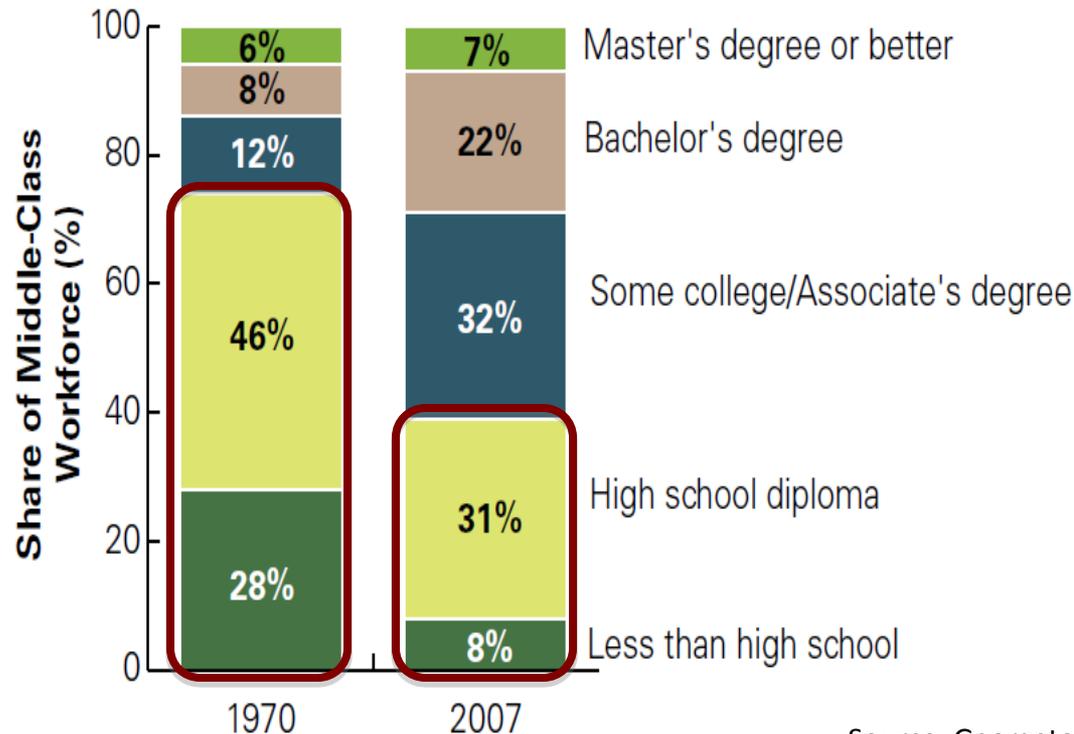
New Realities: Skills Mismatch

EDUCATION, WORKFORCE & ECONOMIC DEVELOPMENT



High School-Educated Workers Represent a Decreasing Share of the Middle Class

(Middle class includes all workers with annual income between \$35,000 and \$70,000)



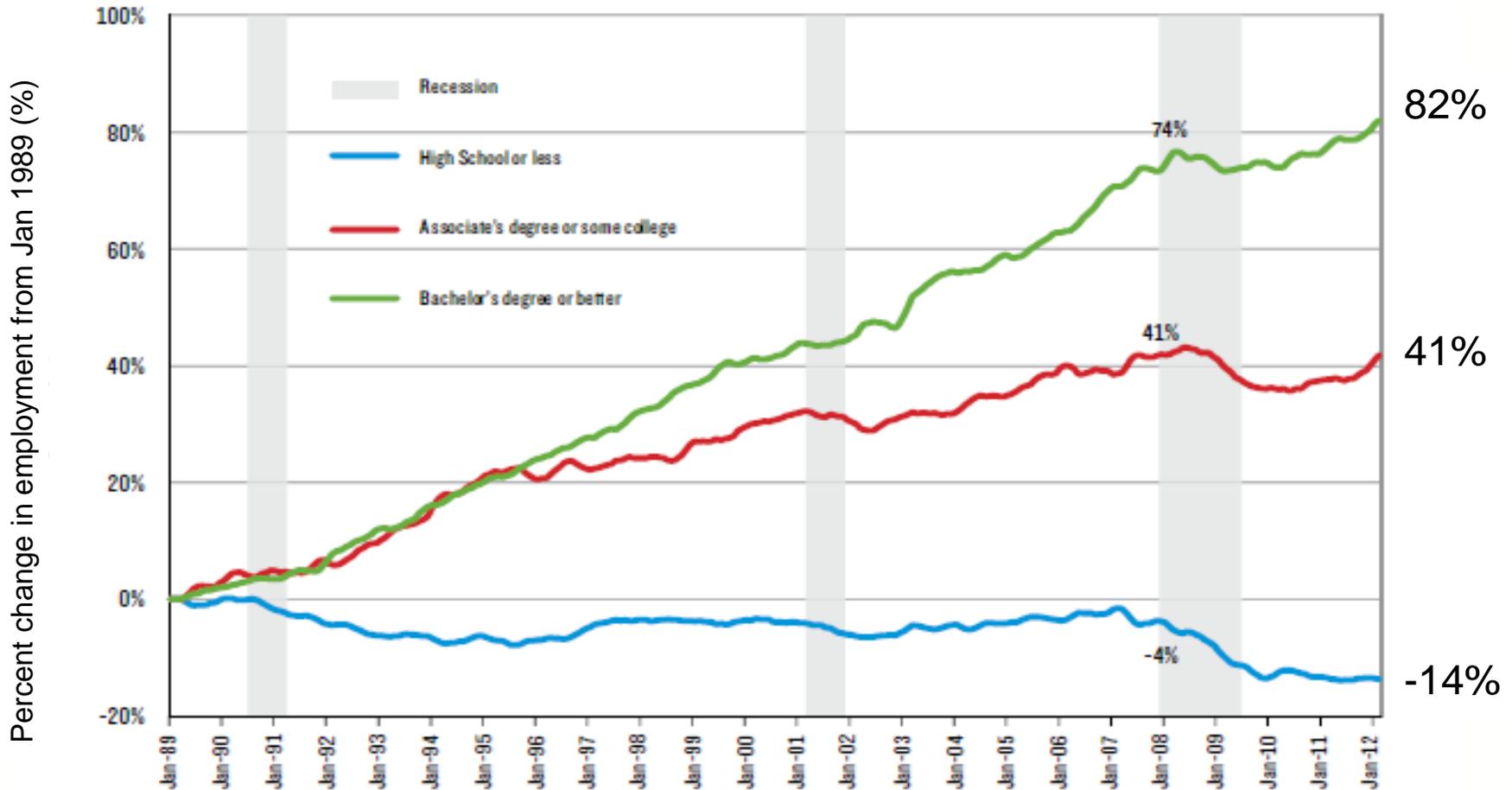
Source: Georgetown Center on Education and the Workforce, "Career and Technical Education: Five Ways That Pay Along the Way to the B.A."

New Realities: Skills Mismatch

EDUCATION, WORKFORCE & ECONOMIC DEVELOPMENT



Percent Change in Employment by Education Attainment

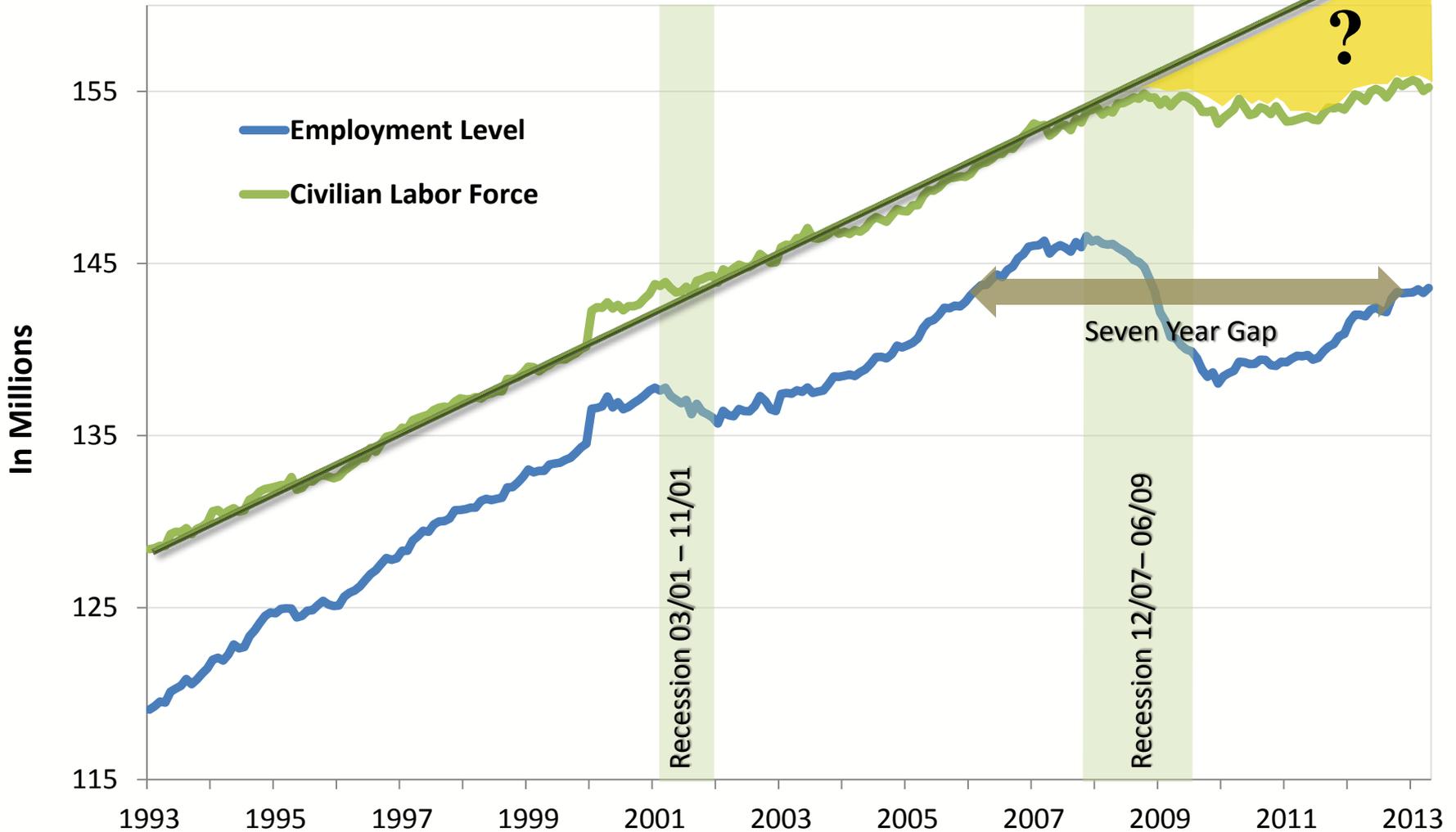


Source: Georgetown Center on Education and the Workforce

New Realities: Stagnant Job Growth



Employment Growth
United States (In Millions)



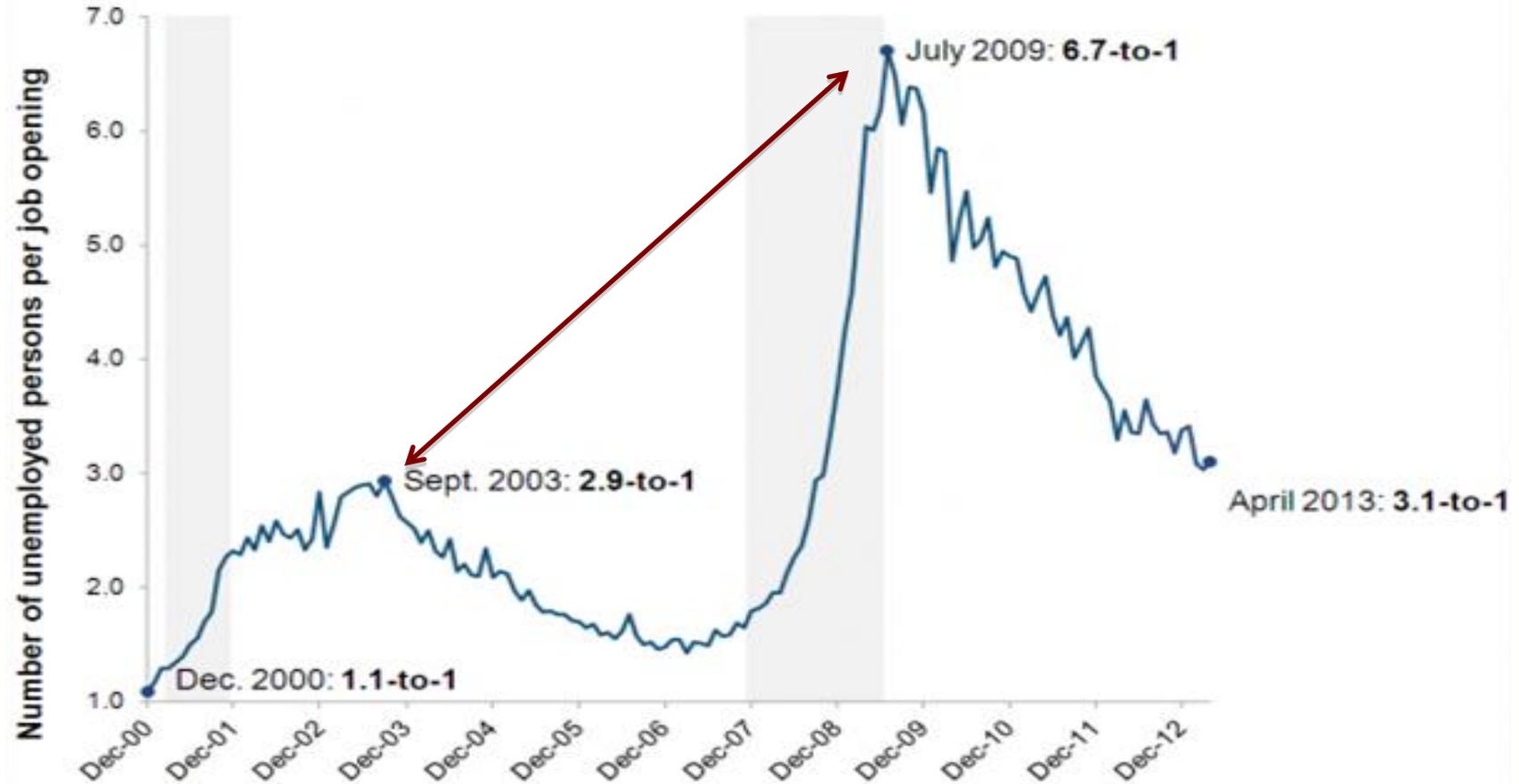
New Realities: Stagnant Job Growth

EDUCATION, WORKFORCE & ECONOMIC DEVELOPMENT



Not enough jobs to go around

Job-seekers ratio, December 2000–April 2013

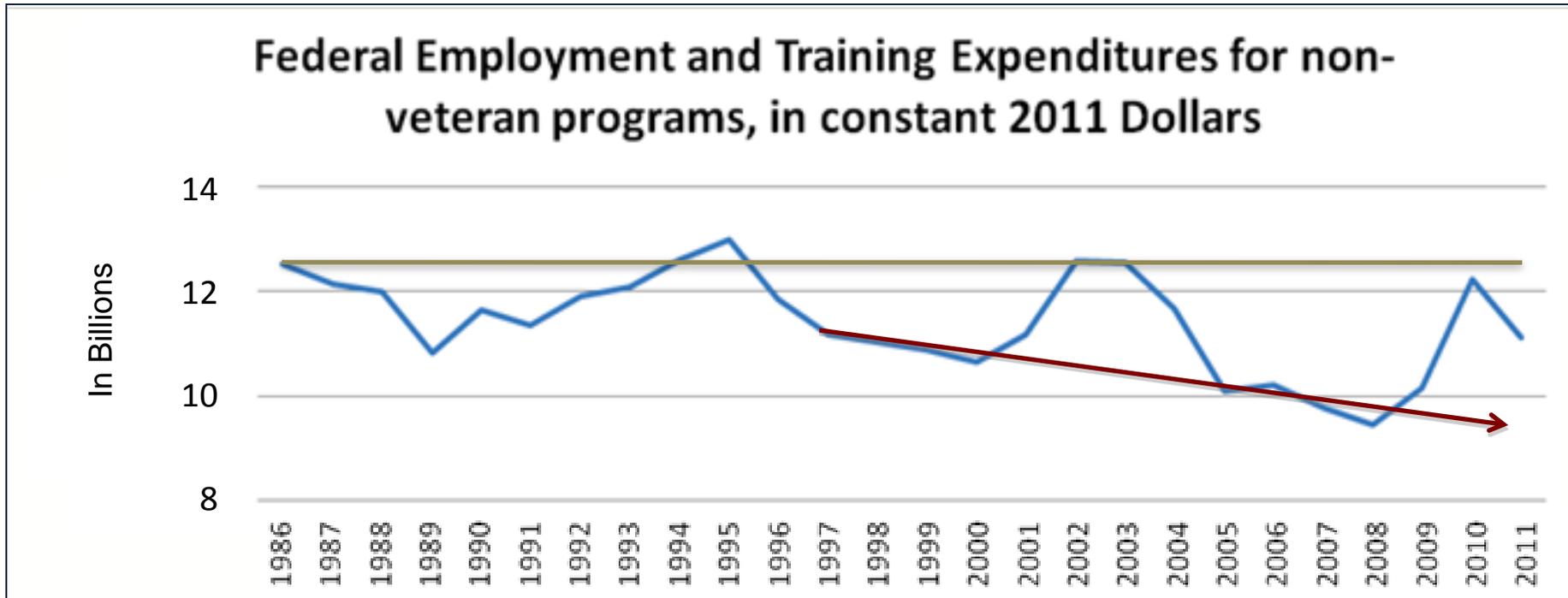


Note: Shaded areas denote recessions.

Source: EPI analysis of Job Openings and Labor Turnover Survey and Current Population Survey public data series

New Realities: Fewer Resources

EDUCATION, WORKFORCE & ECONOMIC DEVELOPMENT

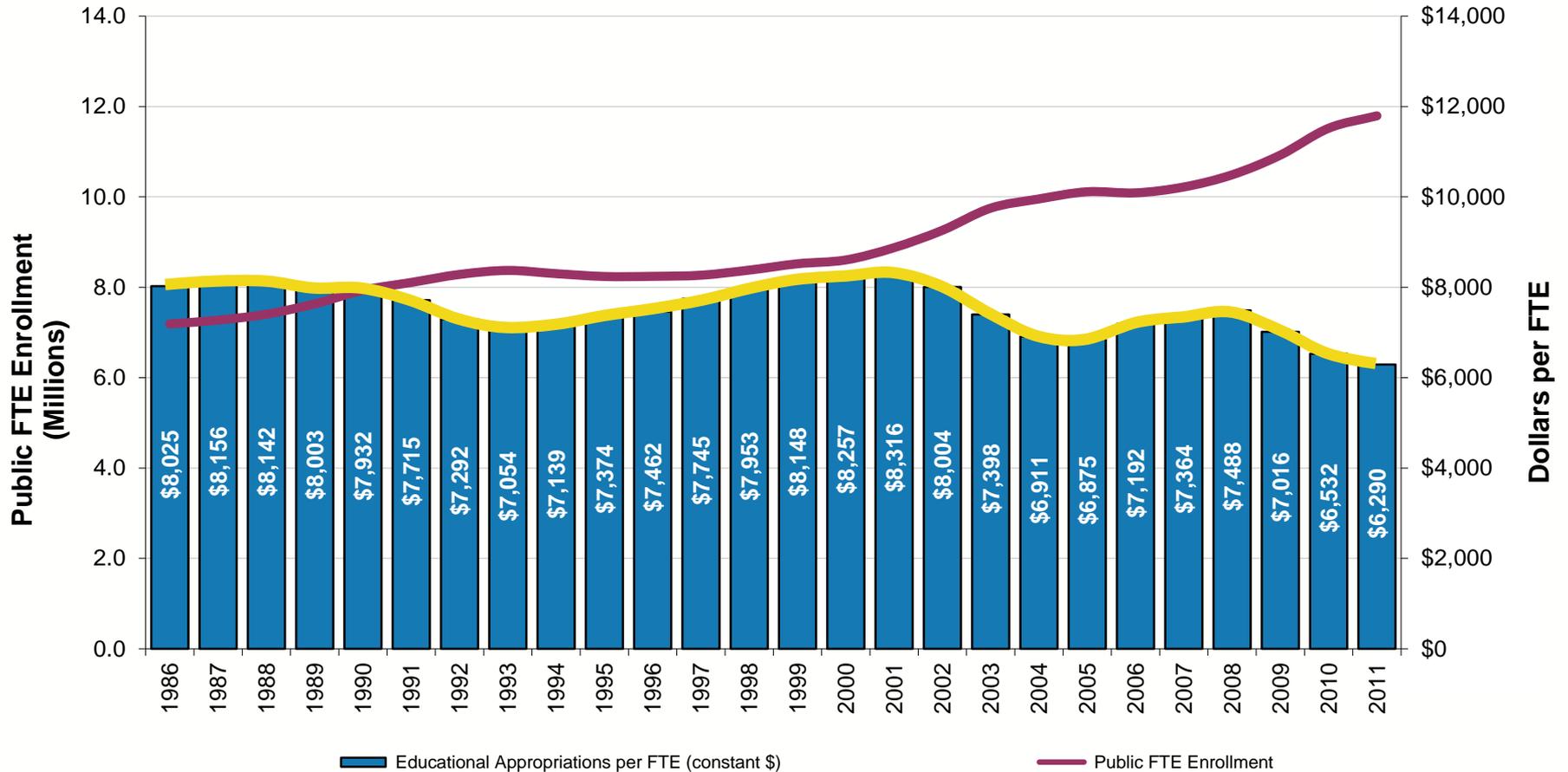


New Realities: Fewer Resources



EDUCATION, WORKFORCE & ECONOMIC DEVELOPMENT

Public FTE Enrollment, Educational Appropriations and Total Educational Revenue per FTE, United States -- Fiscal 1986-2011



Note: Constant 2011 dollars adjusted by SHEEO Higher Education Cost Adjustment. Educational Appropriations include ARRA funds. (HECA)

New Realities:

EDUCATION, WORKFORCE & ECONOMIC DEVELOPMENT



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Sector Strategies Coming of Age:

EDUCATION, WORKFORCE & ECONOMIC DEVELOPMENT



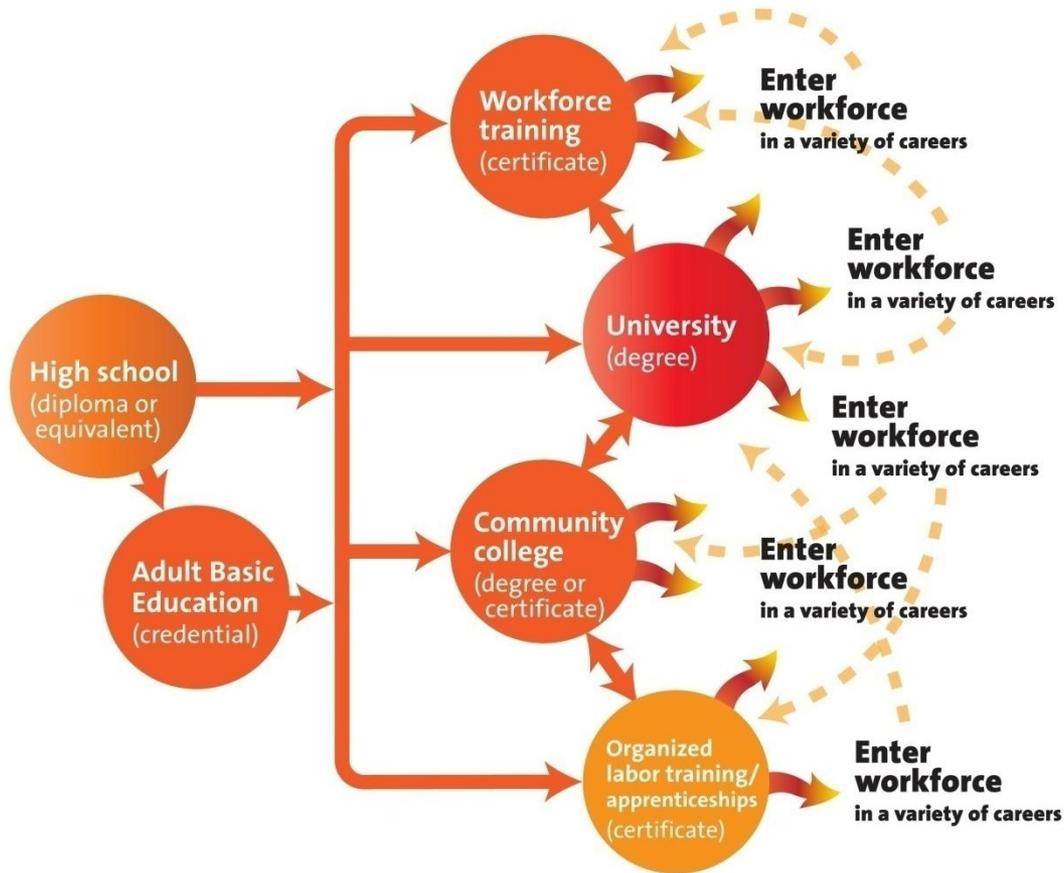
I. Education → Career Pathways

II. Workforce Development

III. Economic Development

Career Pathways

Effective career pathways rely on coordination across education and training programs in order to offer a clear sequence of industry-relevant coursework and credentials to job seekers. Today's education and training programs include online and in-person opportunities.



After being in the workforce, a person may choose to go back for more credentials to make an upward or lateral career move.

Sector Strategies Coming of Age:

EDUCATION, WORKFORCE & ECONOMIC DEVELOPMENT

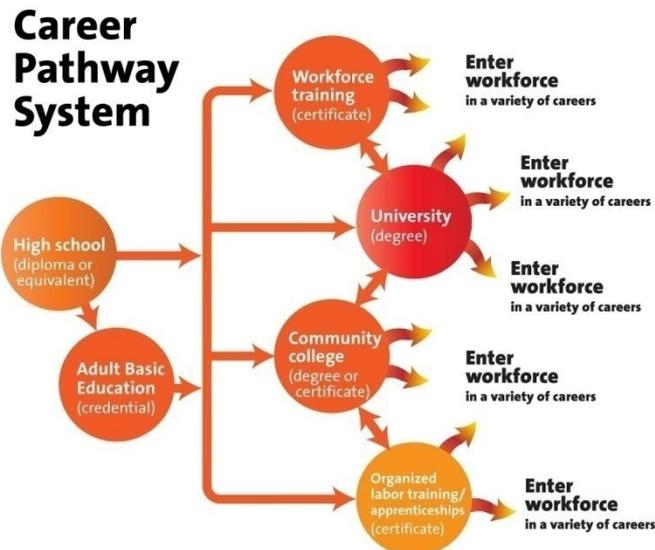


I. Education

II. Workforce Development

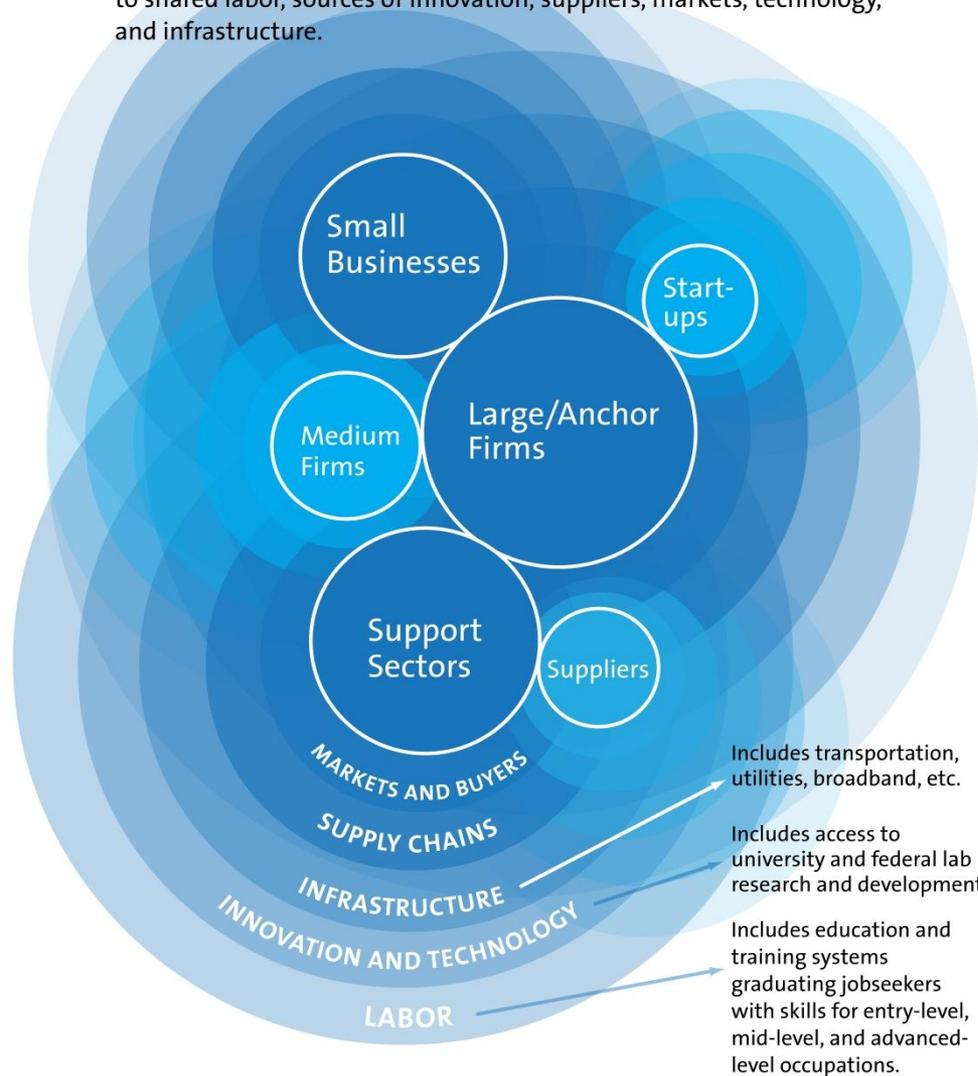
III. Economic Development

Industry Clusters



Industry Cluster

An industry cluster consists of large and small firms in a single industry. Firms in industry clusters benefit from synergies of association related to shared labor, sources of innovation, suppliers, markets, technology, and infrastructure.



Sector Strategies Coming of Age:

EDUCATION, WORKFORCE & ECONOMIC DEVELOPMENT

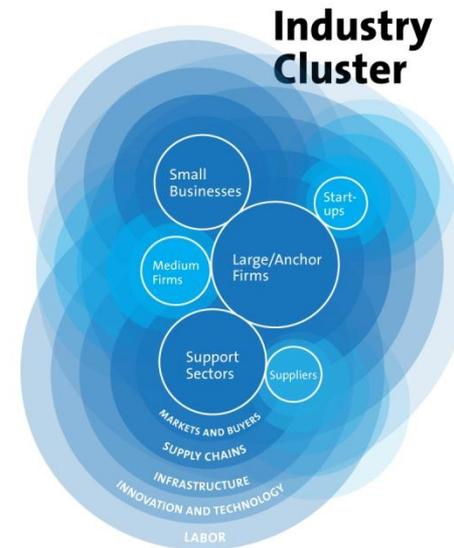
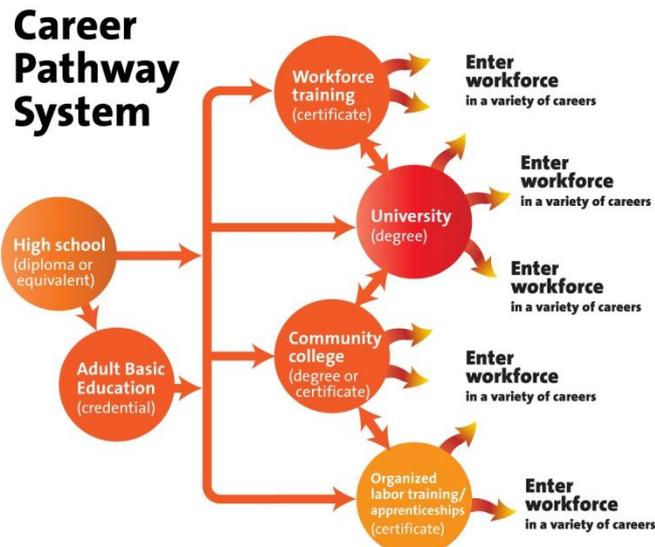


I. Education

II. Workforce Development

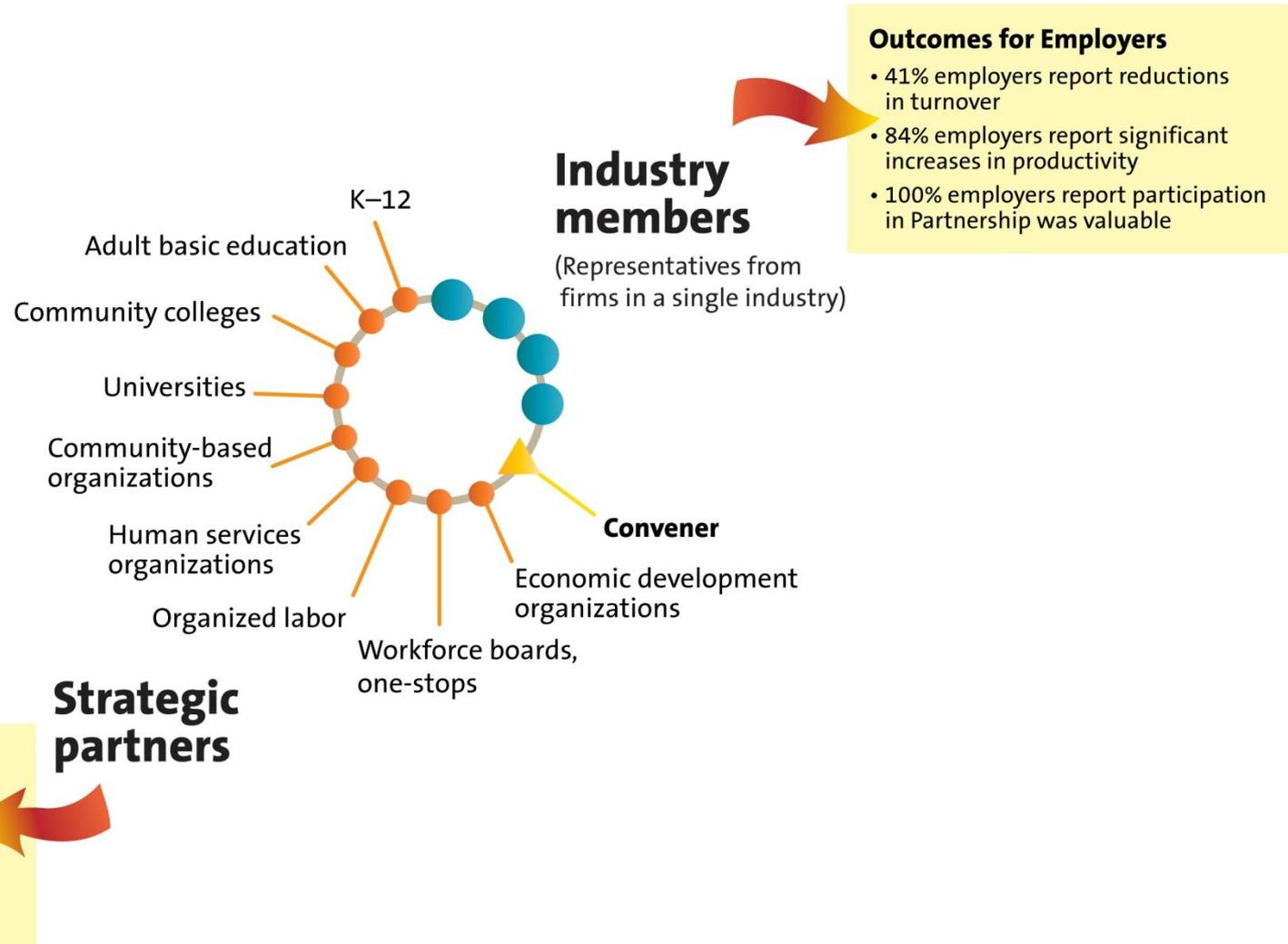
III. Economic Development

Sector Partnerships



Sector Partnership

The partnership addresses common needs of employers and generates coordinated solutions that benefit workers.



THE PRIVATE INDUSTRY COUNCIL OF WESTMORELAND-FAYETTE: THE GREEN ALLIANCE COMMITTEE

Energy Efficiency Sector:

Wind, Solar, Geothermal and Building Retrofit

Group Goals:

Short-term Training, OJT, Screening

Started in 2010 with 8 Companies

Within one year (2011), the Green Alliance grew to over 40+ companies

Additional Involvement from:

Economic Development from Four Counties
Community Colleges
Elected Officials

Benefits Beyond Training:

Networking Power
Practical Problem Solving on Common Issues
Joint Policy Creation
Shared Purchasing Agreements for Local Materials



THE PRIVATE INDUSTRY COUNCIL OF WESTMORELAND-FAYETTE: THE GREEN ALLIANCE COMMITTEE

- J&J MECHANICAL, a small commercial HVAC company, quadrupled their employee base as a result of expanded connections to residential retrofitting needs

= 20 NEW JOBS

- MACCABEE INDUSTRIAL, a steel fabricator, expanded product line to include windmill skeleton construction

= NEW PRODUCT LINE, 10 NEW JOBS

- GEROME MANUFACTURING, steel fabricator, expanded wind mill parts production, added new product line to product brackets for construction of green buildings

= NEW PRODUCT LINE, 18 NEW JOBS

- THERM-O-ROCK EAST, INC., manufacturer of vermiculite (material used to insulate batteries) discovered through the Partnership that the material could be used in retrofitting insulation, as well as in green soil for potted plants and gardens

= 2 NEW PRODUCT LINES, 20 NEW JOBS

- TRI-STATE BIOFUELS, a small woodstove pellet manufacturer, connected with Marsalis Shale oil and gas drilling companies via the Partnership, researched uses of wood pellets as absorber of drilling waste, and invented a new product.

= NEW PRODUCT LINE, 25 NEW JOBS

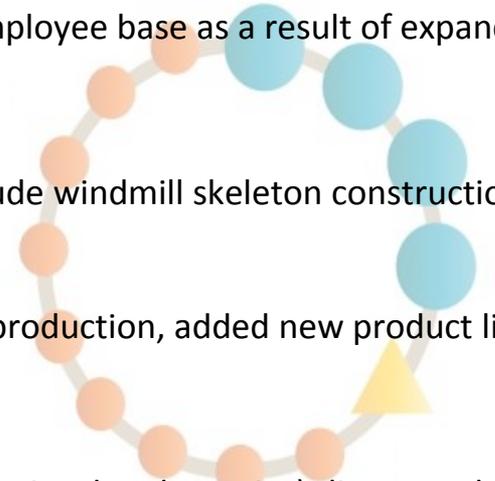
= TRIPLED PURCHASES FROM LOCAL SAWMILLS (SUPPLIERS OF SAWDUST)

- WORLD KITCHEN, formerly Corningware, now makes pyrex glass for solar panels. Via Partnership networking, added an entirely new production line to meet regional demand

= NEW PRODUCT LINE

= 60 NEW JOBS

*** 153 NEW JOBS CREATED AS OF SUMMER 2012**



Sector Strategies Coming of Age:

EDUCATION, WORKFORCE & ECONOMIC DEVELOPMENT

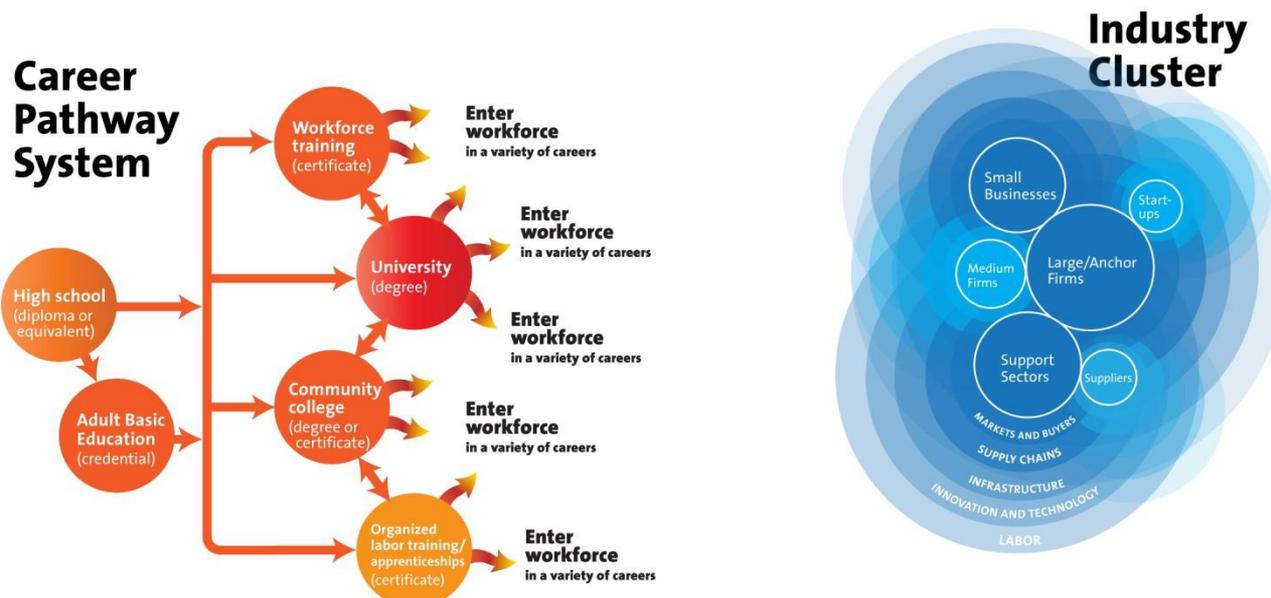
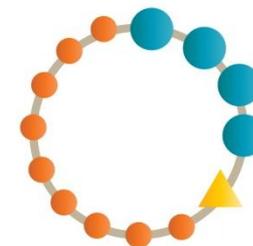


I. Education → Career Pathways

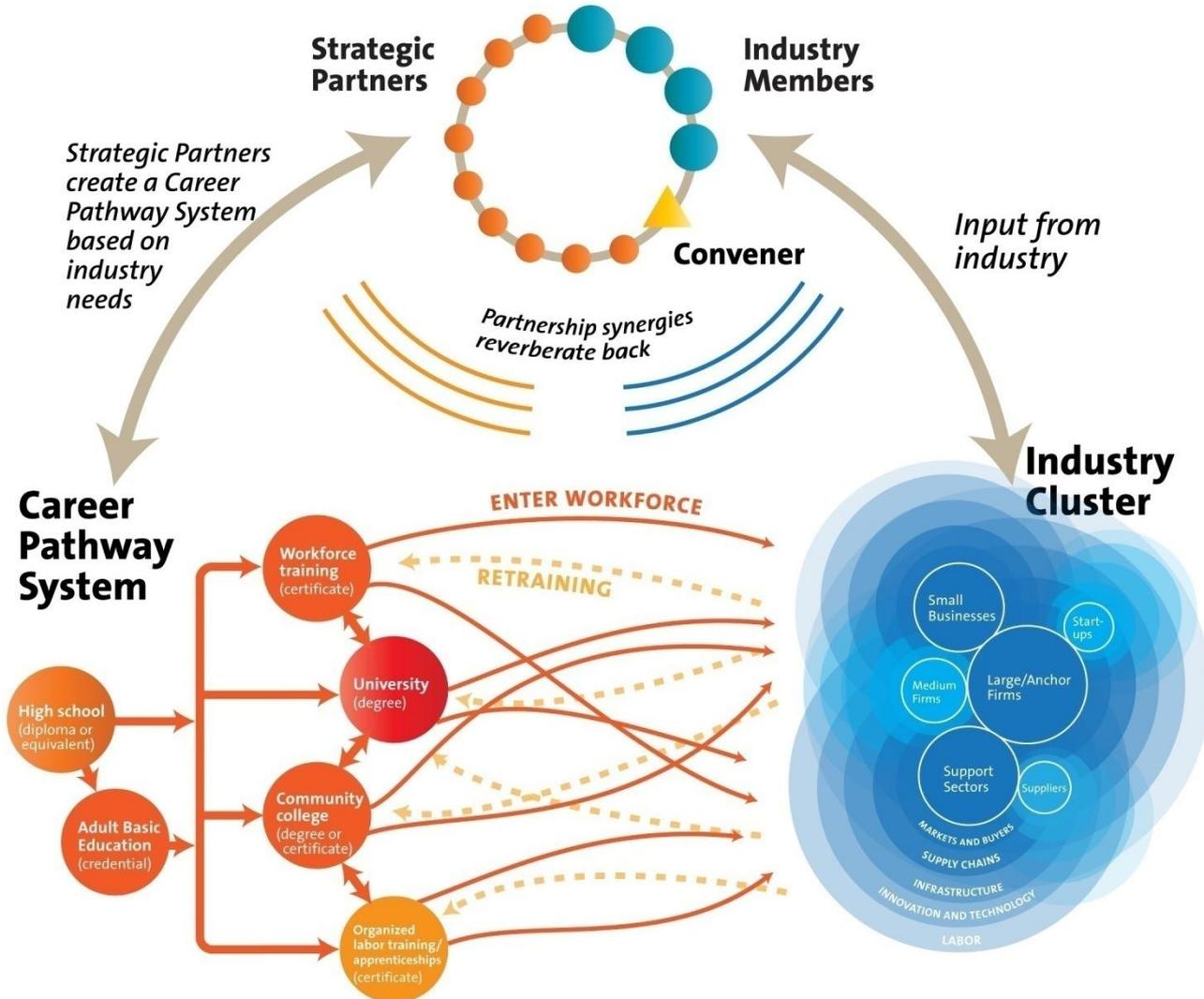
II. Workforce Development → Sector Partnerships

III. Economic Development → Industry Clusters

Sector Partnership

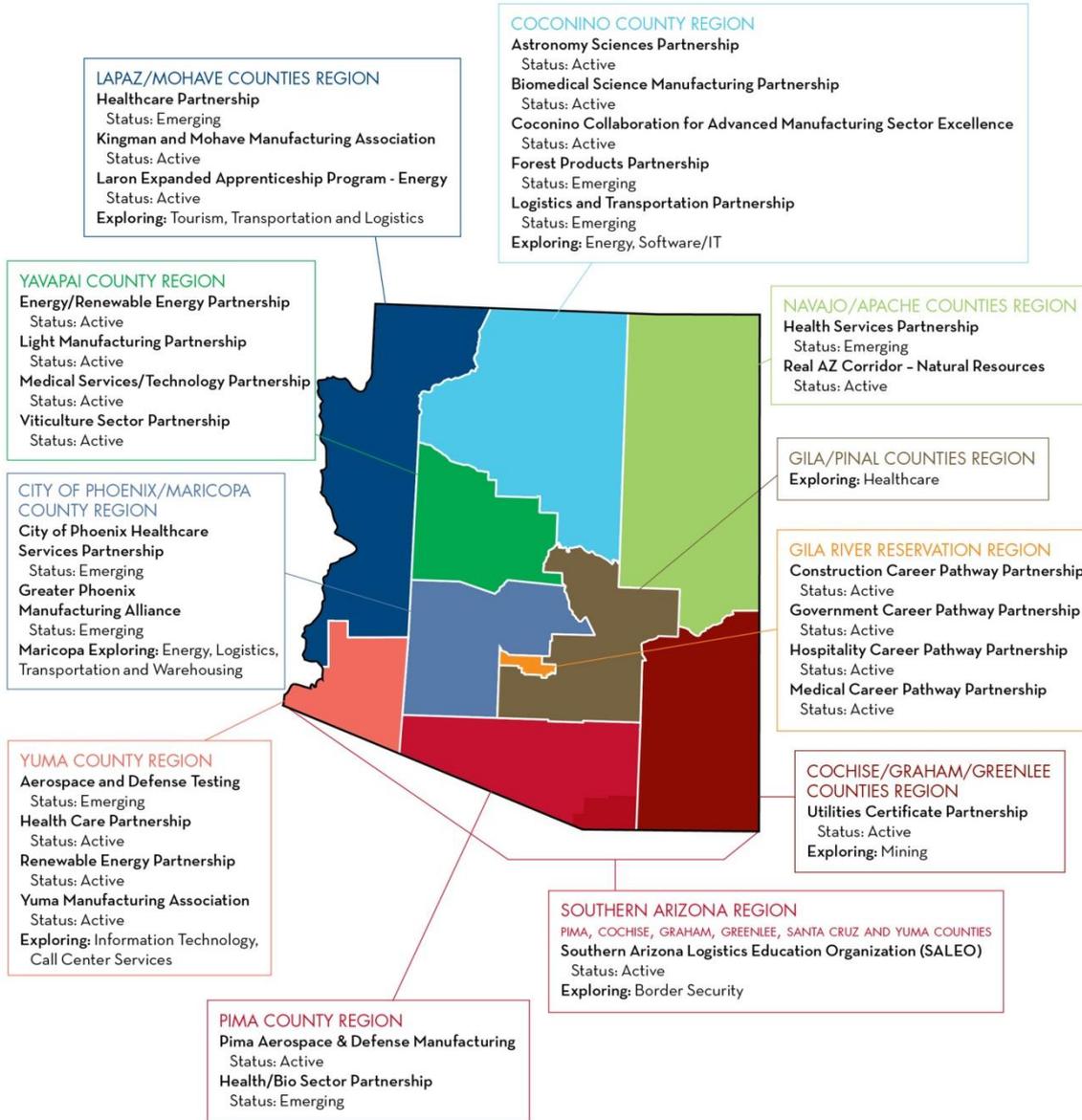


Sector Partnership





2013 Arizona Sector Partnerships



A National Perspective on Workforce Challenges and Solutions

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