

**2009 Fall IEDA Conference  
Attracting Talent In The Knowledge Economy**

**Where Have All The Workers Gone?**

**Are We Facing A Workforce Crisis...  
Or Is It Already Here?**



Fort Wayne, Indiana

September 24, 2009

# Agenda – Table of Contents

1. Workforce availability in the location decision – how important is it?
2. Workforce crisis –  
Is there one coming.. or is it already here?
3. Solutions -what are companies doing to prepare?
4. What can communities do to prepare?
5. Who will be the winners?



# Workforce Availability- How Important Is It?

IT'S IMPORTANT

- Area Development Corporate Survey

	<u>2008</u>	<u>2009</u>
• Availability of Skilled Labor	88.7(4)	87.7 (5)
• Availability of Un-skilled Labor	65.2 (18)	62.9 (18)
  
- Personal Experience

	<u>Weighting</u>
• Manufacturing	40-50%
• Distribution	20-40%
• Headquarters	20-50%
• Back-office / Customer Care	50-70%
• Research & Development	40-60%
  
- It Depends

# Workforce Availability – What Are The Typical Drivers?

## Project Viking Viable Cities



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# Workforce Availability – What Are The Typical Drivers?

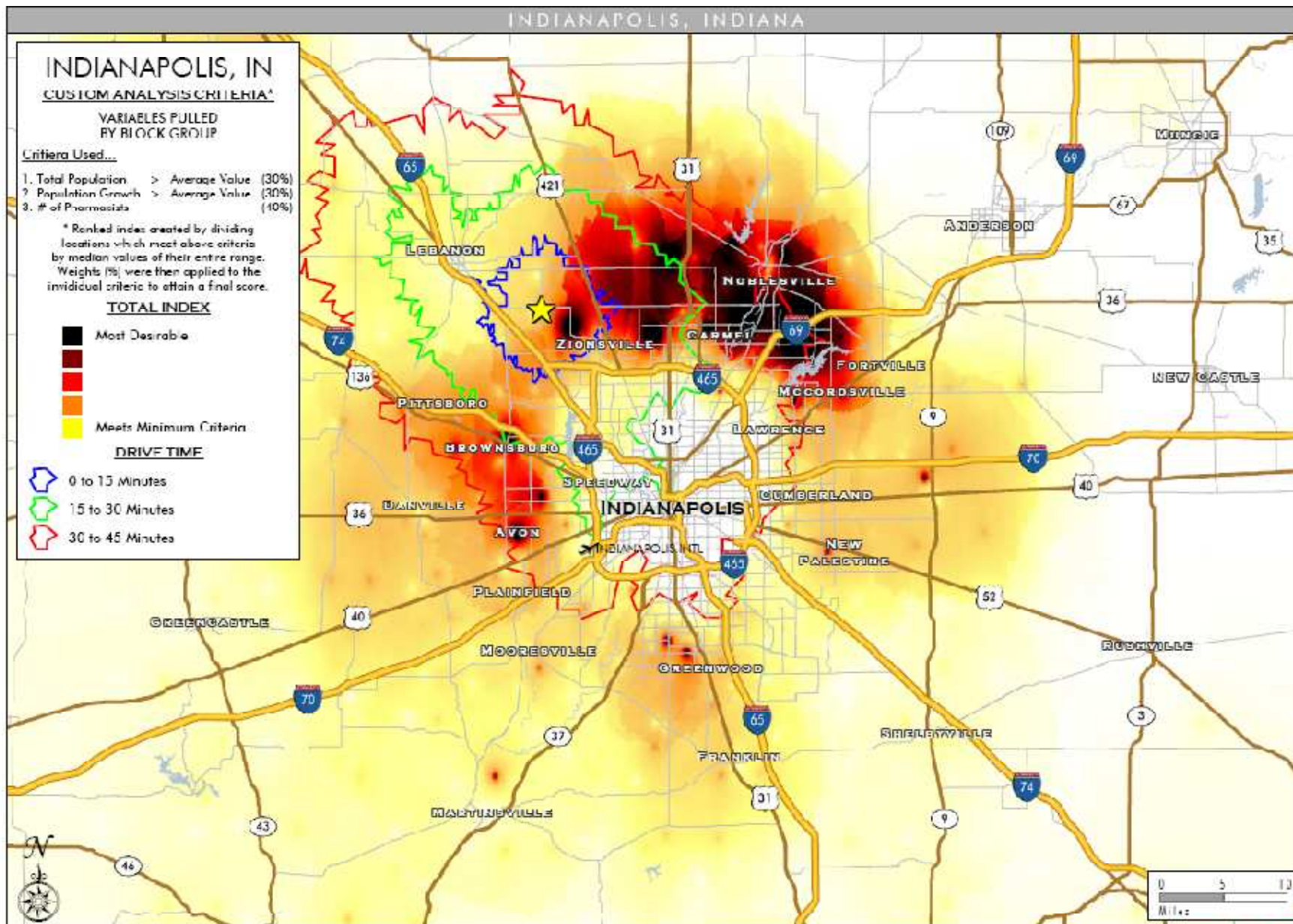
- Labor Pool
  - Total Population
  - Total workforce
  - Projected population growth (5 year)
  - Number of jobs by SOC Code (BLS)
  - Saturation by job/industry type
  - Presence of similar operations
  - Un-employment levels

# Workforce Availability – What Are The Typical Drivers?

- Labor Pipeline
  - Presence of Technical Schools, Colleges and Universities
    - Enrollment by program
    - Annual Graduates by program
    - Retention of graduates in the area
  - Presence of Competitors
  - Presence of Military operation
  - Under-employment



# PROJECT VIKING LABOR HEAT MAP



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**CBRE**  
CE RICHARD ELLIS

**eda**  
Economic Development Association  
Promoting and improving the quality of economic development throughout the State of Indiana.

# Where Have All The Workers Gone?



# WORKFORCE CRISIS- IS THERE ONE COMING.. OR IS IT ALREADY HERE

Workforce Crisis?

★ The Age Wave

★ Gen Y

★ Baby Boomers

★ The Birth Dearth

★ Gen X

★ Millennials

## Workforce Jeopardy

Topic 1 Baby Boomers	Topic 2 Gen X	Topic 3 Gen Y	Topic 4 The Birth Death	Topic 5 Age Wave
<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>
<b>400</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>400</b>
<b>800</b>	<b>800</b>	<b>800</b>	<b>800</b>	<b>800</b>

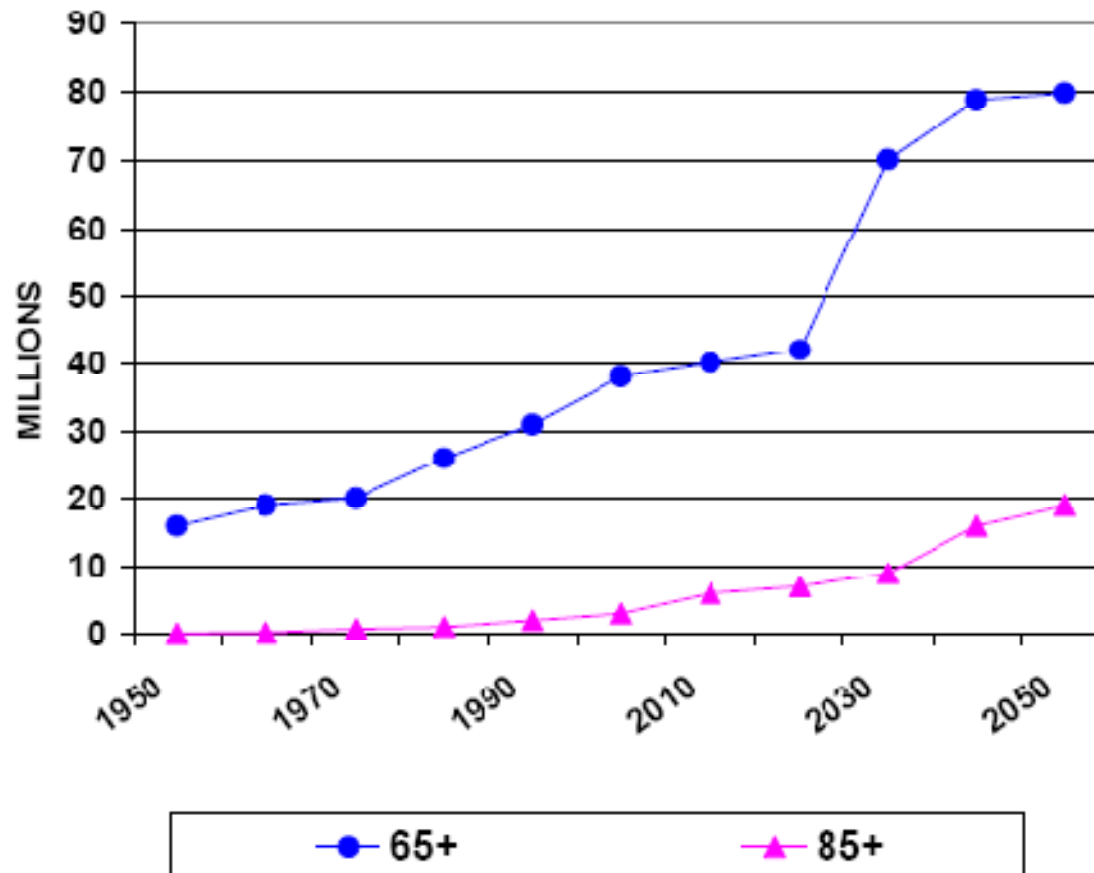
- Our Population & Workforce is Changing
  - Age
  - Gender
  - Ethnicity
  - Immigration
  - Education



# Aging Of The Baby Boomers

The chart below shows the increase in the older population over the next thirty years as a result of the baby boom. Note how the older population will burgeon between the years 2010 and 2030 when the baby boom generation reaches 65.

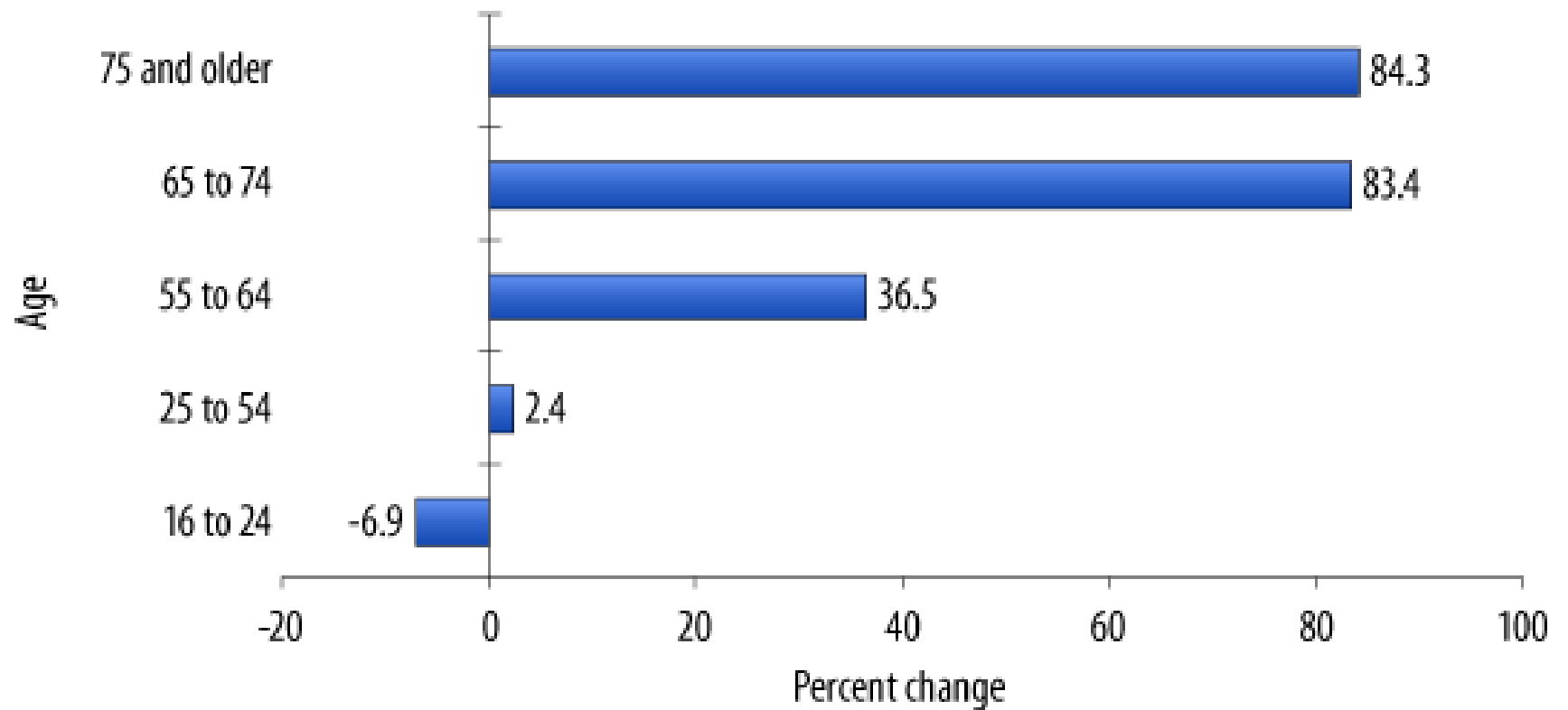
**Projected Growth in the Older Population  
1950 to 2050**



Source: U.S. Bureau of the Census, Current Population Reports, p 23-190, 1996

# Change In Labor Force

## Projected percentage change in labor force by age, 2006-2016

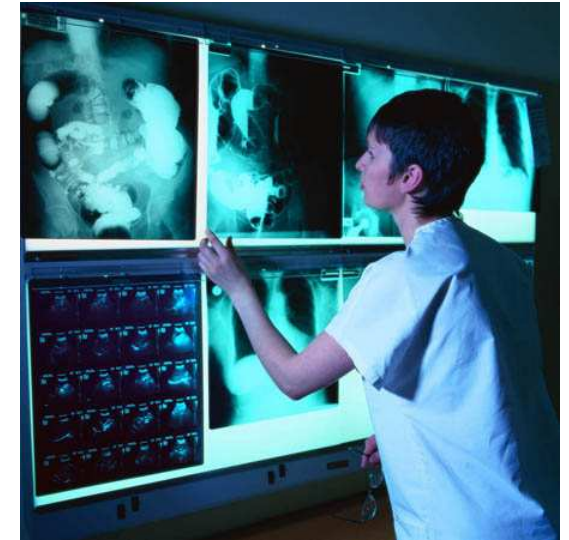


Source: U.S. Bureau of Labor Statistics

[www.bls.gov](http://www.bls.gov)

## The Issues

- Shortage of Workers
  - Demographic Shifts
  - Inadequate Educational Programs
  
- Shortage of Skills
  - “Brain Drain”
  - Education is insufficient or deficient
  - Skills don’t match requirements
  - People not located where the jobs are
  - Globalization



## Shortage of Skills

- Too many people trained for the wrong jobs
- Many jobs are or will become technically obsolete
  - Technological advances
  - Productivity gains
- Education systems are not designed to respond rapidly to rapidly changing conditions
- New Jobs- knowledge based vs. physical based



## Skill Shortages

- Healthcare
- Service/Maintenance Techs
- Skilled Trades
- Teachers
- Technologists
- Engineers



## SOLUTIONS- What are Companies Doing?

- Mature Workers (55+)
- Mid-Career Workers (35-54)
- Young Workers (18-34)



## MATURE (55+)

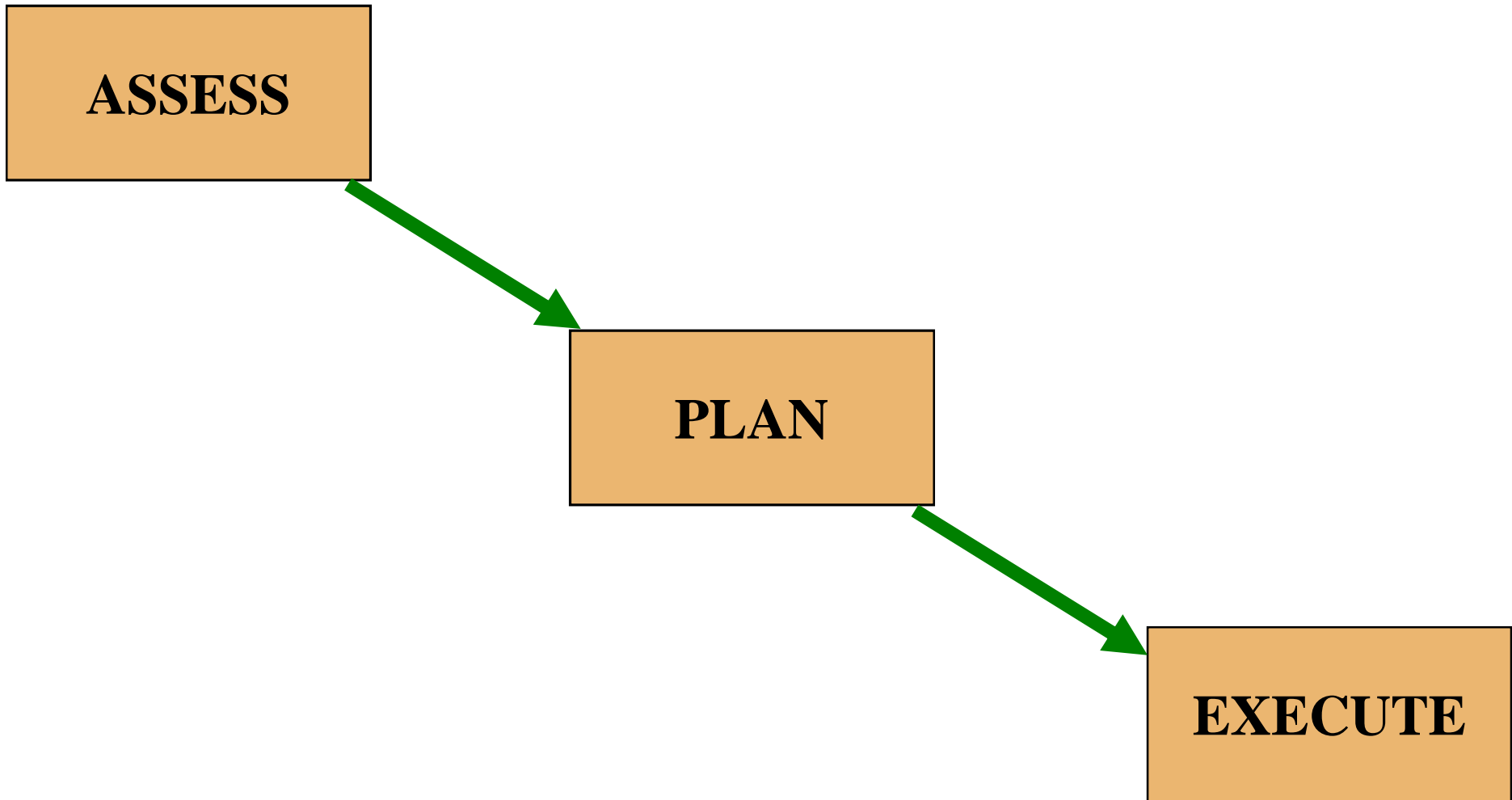
- Retention
  - Past – easy to shed these workers
  - Future – Challenge to retain or recruit back into the workforce
- 80% Indicate that they'll work longer
  - Want to continue to work
  - Need to continue to work – Living longer/financial challenges
- Feel they have more left to offer
  - Experience
  - Emotional Stability
  - Loyalty
  - Job Satisfaction
  - Engagement

# Workforce Crisis - Solutions

- Mid-Career Workers (35-54)
  - Re-energize and re-engage
    - Flexible work arrangements
    - Sabbaticals
    - Expanded leadership development and training
    - Targeted recruitment
  
- Young Workers (18-34)
  - Retention
    - Strong incorporation programs
    - Communication (constant)
    - Management accountability
  - Re-recruitment
    - Exit interviews
    - Alumni associations
    - Open door to return

# What Can You Do To Prepare?

SOLUTIONS: “RIGHT people available with the requisite skills”  
International Labor Organization



# What Can You Do To Prepare?

## ASSESS

- Understand your demographics
- Understand how they are changing
  - History
  - Future
- Understand employers current and future needs (demand and skills)
- Determine the gaps
  - Numbers
  - Skills

# What Can You Do To Prepare?

## PLAN

- Workforce Pool Growth
  - Recruitment / Branding
    - In-migration
    - Ex-patriots
    - Retention of graduates
  - Non-traditional sources
    - Mature Workers
    - Work at home candidates



# What Can You Do To Prepare?

## PLAN

- Skill Development / Re-development
  - K-12 Fundamentals
  - 9-12 Industry-focused programs
  - Under-employed
  - Displaced workforce
  - Mature Workforce
- Leverage Changing Demographics
- Attract or specific prospects / targets that align with your demographics



# What Can You Do To Prepare?

## EXECUTE

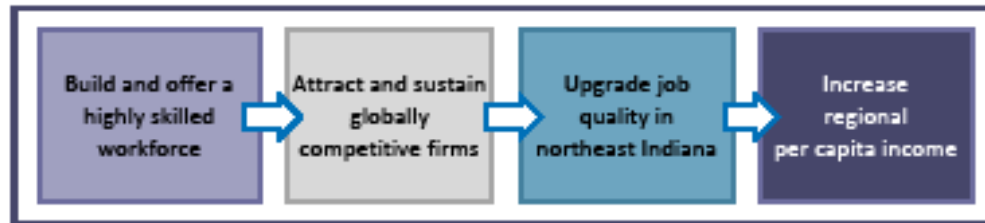
- Leverage Available Resources
  - State Funding
  - Federal Grants (WIRED)
  - Private Grant Sources (TOpS)
  - Political – Policies and Funding
- Engage all Aspects of the Community
  - Public Sector
  - Private Sector
  - Educational Institutions
  - Elected Officials
  - Economic Development



# Talent Opportunity Success

## Talent Opportunity Success (TOpS) 2015

### STRATEGIC GOAL



**Vision** Accelerate regional initiatives to transform and expand the availability of highly skilled workers, technicians, and graduate level talent in northeast Indiana

**Compelling Opportunity** Potential for 4,000 high-technology, high wage, new and replacement jobs to be created in the defense/aerospace sector by the year 2015

OBJECTIVES	STRATEGIES	PROJECTS
Upgrade skills of adult workers	1 Retrain adult workforce in needed skills	Retraining by WorkOne Northeast
Increase access to and quality of higher education programs in science, technology, engineering and mathematics	2 Upgrade advanced manufacturing education	Create and support certificate and associate degree programs in advanced manufacturing at Ivy Tech
	3 Increase capacity in higher education to support current opportunities in defense sector	Expand Systems Engineering Training      Expand Wireless Communications Training
Increase educational attainment of K-12 students mastering science, technology, engineering and math skills	4 Enhanced STEM skill development for K-12 students	Launch STEM-related New Tech High Schools in northeast Indiana
	4 Students learn rigorous content through authentic experiences	Project-based instruction
	4 Teachers trained to deliver high-quality STEM content	Professional development for teachers

NEAR TERM

LONG TERM (LT)

- Population Growth (1-2%/year)
- Strong In-migration
- Ability to retain/re-train workforce following closures/downsizing (quickly)
- Ability to retain a high percentage of local/area graduates
- Ability to respond to skill development needs for local employers or prospects
- Workforce development programs align w/economic development strategies and targets

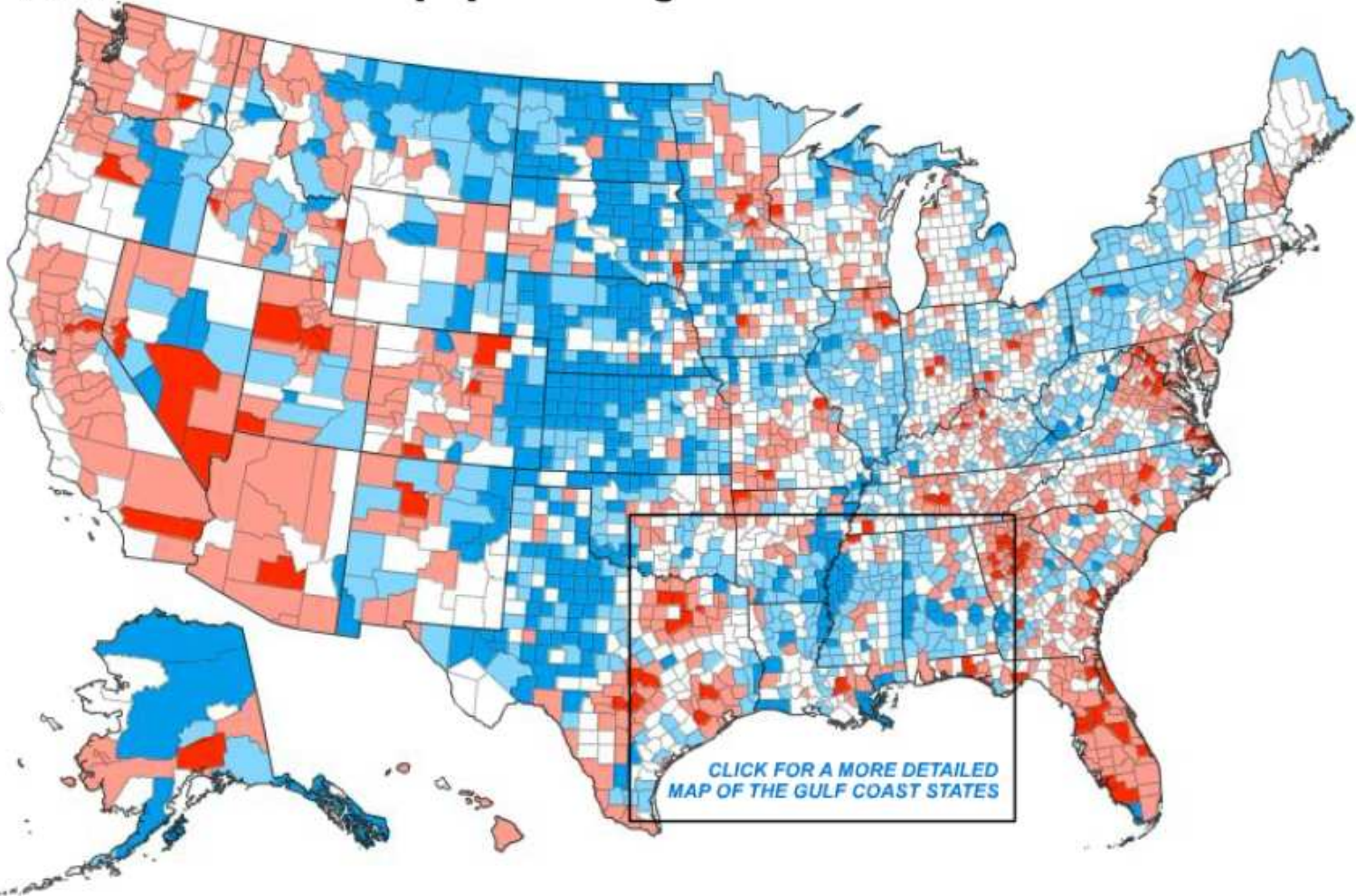
# Changes In U.S. Population



## Sun Belt's population grows as Gulf Coast suffers

Interactivity blog  Close

Send this interactive to a friend



### U.S. population themes

- Population change, 2000 - 2006
- Domestic migration, 2000 - 2006
- Natural increase, 2000 - 2006
- Immigration, 2000 - 2006

This first detailed look at overall population change since Hurricane Katrina shows losses along the Gulf Coast and gains for nearby inland counties.

- Growth greater than 25%
- Growth of 5% to 25%
- Growth of up to 5%
- Loss of up to 5%
- Loss of more than 5%

### Audio analysis



**William Frey**  
Demographer at the  
Brookings Institution

[CLICK FOR AUDIO](#)

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# The Population Shift (Who's Winning & Who's Not)

## The Realignment of America – Trends (2000-2006)

- COASTAL MEGALOPOLISES (8)
  - Strong Domestic Outflow
  - Strong Immigrant Inflow
  - Overall Trend is Population loss or stagnant
  - NYC, LA, SF, SD, Chicago, Miami, DC, Boston
  
- INTERIOR BOOMTOWNS (16)-Average 3% / Year
  - Large Domestic Inflow
  - Considerable Immigrant Inflow
  - Generated 38% of US Population Growth
  - Las Vegas, Inland Empire, Orlando, Charlotte, Phoenix, Tampa, Atlanta....
  
- RUST BELT (6)
  - Lost Population
  - Domestic Outflow (4%)
  - Immigrant Inflow (1%)
  - Natural Increase Low @ 2%
  - Detroit, Pittsburgh, Cleveland, Milwaukee, Buffalo, Rochester

# The Population Shift (Who's Winning & Who's Not)

## The Realignment of America – Trends (2000-2006)

### ■ STATIC CITIES (18)

- Domestic Flow (-1% to +3%)
- Immigrant Inflow (0-4%)
- Holding their own economically

★ Philadelphia

★ Providence

★ Minneapolis

★ Kansas City

★ Norfolk

★ Oklahoma City

★ Hartford

★ Seattle

★ St. Louis

★ Columbus

★ Memphis

★ Birmingham

★ Denver

★ Portland

★ Cincinnati

★ Indianapolis

★ Louisville

★ Baltimore

### ■ REST OF THE COUNTRY

- Looks Static
- Domestic Inflow (1%)
- Immigrant Inflow (1%)
- 4% Population Growth

# Will You Be A Winner Or A Loser?



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