Annual LED Partners Workshop

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Three Rivers Workforce Investment Board
TRWIB, Inc.
Core Responsibilities

• Fulfill our *legal obligations* as described by federal and state law and regulation.

• *Collaborate* – Understand business and employer workforce requirements.

• Identify key *public policy issues* that impact job seekers and employers.

• *Communicate and build consensus* for these key public policy issues.
Setting and Moving the Workforce Agenda

**TRWIB**
- Facilitates strategic workforce planning
  - Analyzes and understands workforce needs
  - Communicates the state of the labor market

**Match**
People and jobs through CareerLink and other resources

**Prepare/Educate/Train**
K-16 and incumbent workers

**Retain**
Human Capital-(Talent) and Businesses- Employers
What We Knew

We knew that the region was aging and that:

- Birth Rates are Declining
- People are Living Longer
- People can Retire Earlier
- People can Retire Later

Are the projections about the demographic shifts along with a smaller, leaner, different workforce - accurate?

We don’t have the answer, but doing nothing is risky business.
Strategic Workforce Planning

Why does it matter?

A workforce projected to be smaller and older presents problems for several policy issues in human services, housing, transportation, healthcare, and workforce development.
Why We Did It

We already knew that our region was “old”.

We set out to answer:

• Is SWPA really *that* old?
• Are we getting older?
• Which industries have the oldest workforce?
• Do industries with the oldest workforces have a problem?
• Are these industries addressing the issue?
• What strategies are needed to address the issue?
The Final Outcome

- TRWIB has issued the “Managing the Changing Workforce in Southwestern PA” report via the web, the media, and through events with the University of Pittsburgh’s Institute of Politics.

- TRWIB has also issued detailed reports for the “oldest” industries, which include: Mining; Utilities; Petroleum/Coal products; Air Transportation; Primary Metals; and Ground Transportation.

- TRWIB has worked with the Institute of Politics to inform policy makers, employers, educators, community and faith based organizations, and training providers about our aging workforce.
Thanks

Special thanks for this study go to:

• The Regional Workforce Collaborative (RWC)
• The United States Census Bureau
• The Center for Workforce and Information Analysis (CWIA)
• Carnegie Mellon University’s Center for Economic Development
• University of Pittsburgh’s Institute of Politics
Follow-up

To view the full “Managing the Changing Workforce in Southwestern Pennsylvania” report please visit www.trwib.org

Please contact us to discuss this study. TRWIB encourages those interested in this study to contact:

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Greg Lagana
Workforce Research Projects Director

CED
Carnegie Mellon
Center for Economic Development
Questions QWIs can help answer…

In which industries do most older workers work?

Which industries hire older workers?

What industries have the highest concentration of older workers?
An approach for an analysis of the aging workforce of a region
The QWI analysis helped us flag 21 industries as “relatively older.” 14 were mainly private industries.
Our survey attempted to assess whether older industries had a problem, and what they were doing about it

• In the last ten years, has your organization studied the age of its workforce?

• Did the study forecast a future shortfall of workers?

• …has your organization taken any steps to address a future shortfall of workers?

• …has your organization identified any types of positions that will be impacted by retirements within the next two (2) years?

• … does your company use any of the following practices [associated with addressing the problems of an aging workforce]…

• …to what extent, if any, do you anticipate problems replacing older workers in your company or organization?
We profiled six economically important older industries to confirm or refute, or detail initial findings, and to learn more about industry response.
“Clearly, mining companies must develop programs to go to local schools and community centers to publicize the demand for young workers, and to draw attention to the attractive offers [financial, training, education, etc.] they can provide to aspiring candidates. While some companies are already doing this, I do not know that this is a common practice.”

Dr. Raja Ramani, Professor Emeritus of the Department of Mining and Geoenvironmental Engineering at Penn State University
An approach for an analysis of the aging workforce of a region
We are looking to help replicate the study in a different region. Benefit from our “lessons learned”!

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Institute of Politics

A forum for public and private decision makers, where diverse viewpoints are aired and solutions are explored, off the record and on neutral ground
Aging Workforce Programming

• Policy Forum
• Roundtables
  — Human Capital
  — Financing Lifelong Learning
  — CEO
• Summary Publication
June Policy Forum

Audience
• Leaders from elected office, community, philanthropy, business and education

Speakers
• Boston College, Workforce Investment Boards (state and local), university continuing education leadership, business advocacy group

Topics
• Are changes in the age demographics of the workforce a public sector concern?
• Are employers ready?
• Are states ready?
• Are there unique opportunities for new forms of public-private partnership?
• *What kind of programming would advance this topic?*
November 2006
Human Capital Practices Roundtable

Audience
• HR Leadership

Agenda
• Understanding the business case
  • Labor force shortages
  • Skills shortages
  • Threats to knowledge transfer
  • Competitive advantages
  • Changes in workplace structures and processes
• Exploring business awareness, actions & barriers
  • Are employers taking steps to get ready? What are they?
  • Do employers see the aging of the workforce as a vulnerability, a competitive advantage?
  • What are the policy concerns?
January, 2007
Financing Lifelong Learning Roundtable

• **Audience**
  – Workforce Investment Boards, community colleges, higher education, employers, community leaders, philanthropic leaders

• **Featured Speaker**
  – Council for Adult and Experiential Learning

• **Agenda**
  – Highlight policy environment
  – Discuss LiLA+ pilot project
Interesting Questions

• Micro matters
• Who’s in the driver’s seat?
• Where’s the CEO
• Who is high value?
• Will corporate culture support change?
• How will education respond?
• How do we enhance participation in lifelong learning for those typically left behind?
Potential Actions

1. **Raising awareness**: providing information to residents *and* businesses, convening events, putting issues on the agenda

2. **Working with employers**: offering recognition, incentives and standards for effective workplaces

3. **Expanding quality resources to older workers and employers**: setting standards for quality, providing funds for services, offering tax reductions to older citizens and employers

4. **Benchmarking progress**: supporting research which measures progress

5. **Modeling employer best practices**: adopting policies and programs that support well-being of state employees across career stages *and* that promote effective delivery of state services

*Source: Boston College, Center on Aging & Work*
Importance of Ongoing Programming

• Takes reports off-the-shelf and into the community
• Exposes people to diverse views in a neutral and safe environment
• Creates networking and outreach opportunities necessary for collaborative solutions
• Inspires research-driven dialogue
• Identifies leadership/partnerships to address issues
• Builds common ground necessary for partnerships in a complex regional, political environment
• Plants seeds. Sparks new thinking and innovation
• Fosters a better understanding of future research needs
Supplemental Slides

Data from the Surveys
Policy and Other Options
Q4 In the last ten years, has your organization studied the age of its workforce?

- No: 60%
- Yes: 34%
- Unsure: 5%
(For each position)
How serious is the shortfall?
(1 = not serious, 5 = very serious)
Q5 (If yes to Q4) did the study forecast a future shortfall of workers?

- No: 42%
- Yes: 54%
- Unsure: 3%
Q6 Regardless of your answers above, has your organization taken any steps to address a future shortfall of workers?

- Yes: 24%
- No, but we are talking about it: 28%
- No, and we are not talking about it: 48%
<table>
<thead>
<tr>
<th>Approach</th>
<th>We are doing this</th>
<th>We decided against this</th>
<th>We are still considering this</th>
<th>We have not considered this</th>
</tr>
</thead>
<tbody>
<tr>
<td>Older workers mentoring younger workers</td>
<td>54%</td>
<td>1%</td>
<td>15%</td>
<td>29%</td>
</tr>
<tr>
<td>Flexible hours</td>
<td>37%</td>
<td>11%</td>
<td>11%</td>
<td>40%</td>
</tr>
<tr>
<td>Knowledge management</td>
<td>35%</td>
<td>4%</td>
<td>17%</td>
<td>44%</td>
</tr>
<tr>
<td>Working with education/training/workforce institutions</td>
<td>32%</td>
<td>3%</td>
<td>16%</td>
<td>48%</td>
</tr>
<tr>
<td>Contracting with retired workers</td>
<td>32%</td>
<td>7%</td>
<td>15%</td>
<td>46%</td>
</tr>
<tr>
<td>Increased recruitment and hiring</td>
<td>32%</td>
<td>2%</td>
<td>20%</td>
<td>43%</td>
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<tr>
<td>Participation in efforts that market careers in the industry</td>
<td>27%</td>
<td>5%</td>
<td>11%</td>
<td>54%</td>
</tr>
<tr>
<td>Taking steps to make jobs physically more comfortable for older workers</td>
<td>26%</td>
<td>4%</td>
<td>15%</td>
<td>53%</td>
</tr>
<tr>
<td>Formal succession plans</td>
<td>25%</td>
<td>3%</td>
<td>32%</td>
<td>40%</td>
</tr>
<tr>
<td>Job sharing / phased retirement</td>
<td>24%</td>
<td>7%</td>
<td>17%</td>
<td>50%</td>
</tr>
<tr>
<td>Working with job matching and recruitment providers</td>
<td>18%</td>
<td>6%</td>
<td>14%</td>
<td>62%</td>
</tr>
<tr>
<td>Modified retirement and pension plans</td>
<td>12%</td>
<td>13%</td>
<td>8%</td>
<td>65%</td>
</tr>
<tr>
<td>Telecommuting</td>
<td>11%</td>
<td>20%</td>
<td>6%</td>
<td>60%</td>
</tr>
<tr>
<td>Bonuses to forestall retirement</td>
<td>4%</td>
<td>21%</td>
<td>5%</td>
<td>70%</td>
</tr>
<tr>
<td>Sabbaticals in lieu of retirement</td>
<td>2%</td>
<td>17%</td>
<td>4%</td>
<td>74%</td>
</tr>
</tbody>
</table>
Q10 To what extent...do you anticipate problems replacing older workers...
(5 = "Big Problem")

- Don't Know: 7%
- 1: 28%
- 2: 24%
- 3: 20%
- 4: 16%
- 5: 5%
Why isn’t every firm worried?

• Some are in the dark
• Some are older by design
• Some (think they) can buy their way out.
• Some cannot, and are turning to or thinking of turning to…
  – Technology
  – External workforce development partnerships
  – Ceasing operations! (Small, family owned)
Policy areas and actions relevant to how employers fill replacement job openings

How will employers with aging workerforces fill replacement job openings?
(means and related policies)

- Regional attractiveness
- Attractiveness of compensation, working conditions
- Immigration policy
- Recruit younger workers from the educational pipeline
- Recruit disadvantaged/displaced workers
- Retain, recruit older workers
- Transit, supports, job training, workforce intermediaries and partnerships, CJT
- K-12 career development infrastructure, career education, articulated post-secondary programs
- Employer accommodations for older workers, legal environment, and regional services for older workers