



T H R E E R I V E R S

WORKFORCE INVESTMENT BOARD

TRWIB, Inc.

Annual LED Partners Workshop

February 1, 2007

Kelleigh Butler,

Research and Planning Coordinator

Three Rivers Workforce Investment Board

TRWIB, Inc.



T H R E E R I V E R S

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.



T H R E E R I V E R S

WORKFORCE INVESTMENT BOARD

TRWIB, Inc.

Setting and Moving the Workforce Agenda

TRWIB

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

Retain

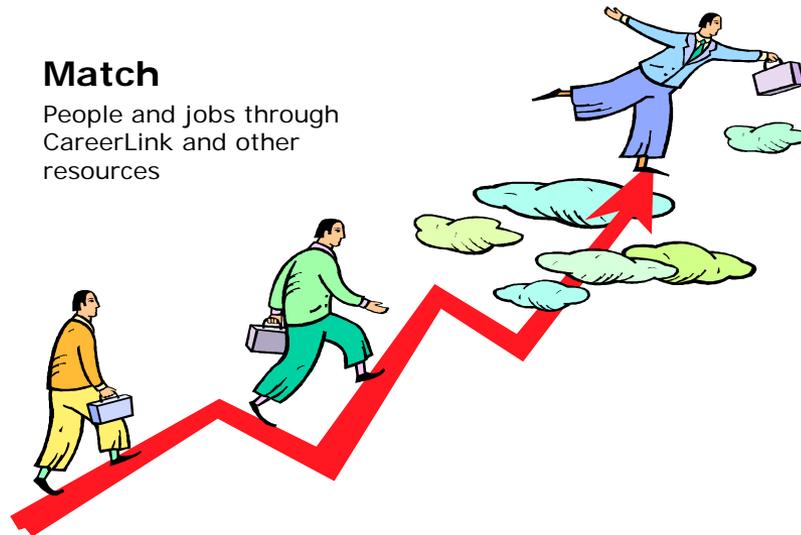
Human Capital-(Talent) and
Businesses- Employers

Match

People and jobs through
CareerLink and other
resources

Prepare/Educate/Train

K-16 and incumbent workers





T H R E E R I V E R S

WORKFORCE INVESTMENT BOARD

TRWIB, Inc.

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.



T H R E E R I V E R S

WORKFORCE INVESTMENT BOARD

TRWIB, Inc.

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.



T H R E E R I V E R S

WORKFORCE INVESTMENT BOARD

TRWIB, Inc.

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?



T H R E E R I V E R S

WORKFORCE INVESTMENT BOARD

TRWIB, Inc.

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.



T H R E E R I V E R S

WORKFORCE INVESTMENT BOARD

TRWIB, Inc.

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



T H R E E R I V E R S

WORKFORCE INVESTMENT BOARD

TRWIB, Inc.

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:

Kelleigh Butler

kbutler@trwib.org

412-552-7094

Greg Lagana

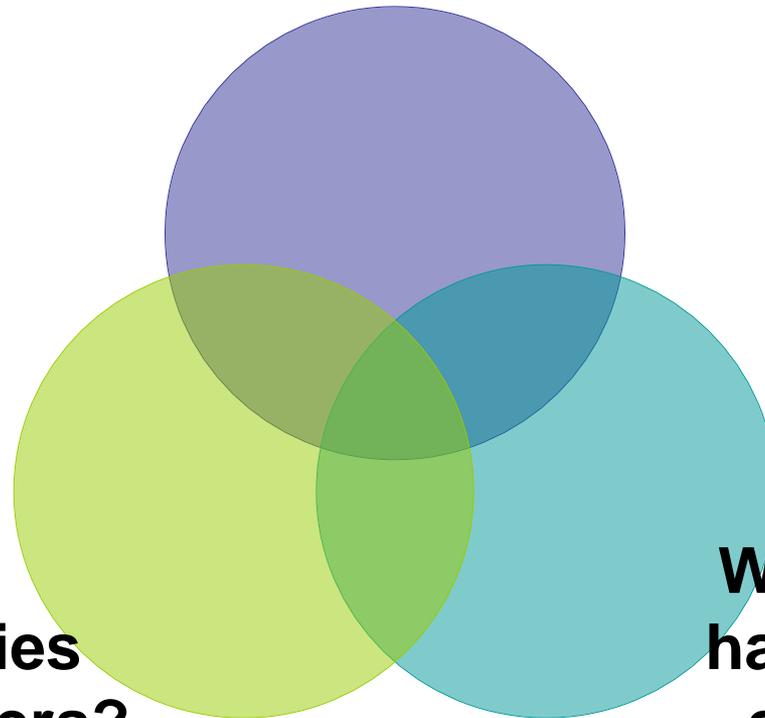
Workforce Research Projects Director



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

<i>Private Industries</i>	<i>45-54</i>	<i>55-64</i>	<i>65+</i>	<i>EOQE</i>
Mining (except Oil and Gas)	•	•		6,500
Utilities	•	•		10,300
Petroleum and Coal Products Manufacturing	•	•		2,500
Primary Metal Manufacturing	•	•		14,100
Air Transportation	•			9,900
Transportation Equipment Manufacturing		•		2,600
Real Estate			•	10,600
Amusement, Gambling, and Recreation Industries			•	13,600
Miscellaneous Store Retailers			•	8,900
Personal and Laundry Services			•	15,100
Motor Vehicle and Parts Dealers			•	18,300
General Merchandise Stores			•	30,800
Health and Personal Care Stores			•	11,500
Food and Beverage Stores			•	32,700

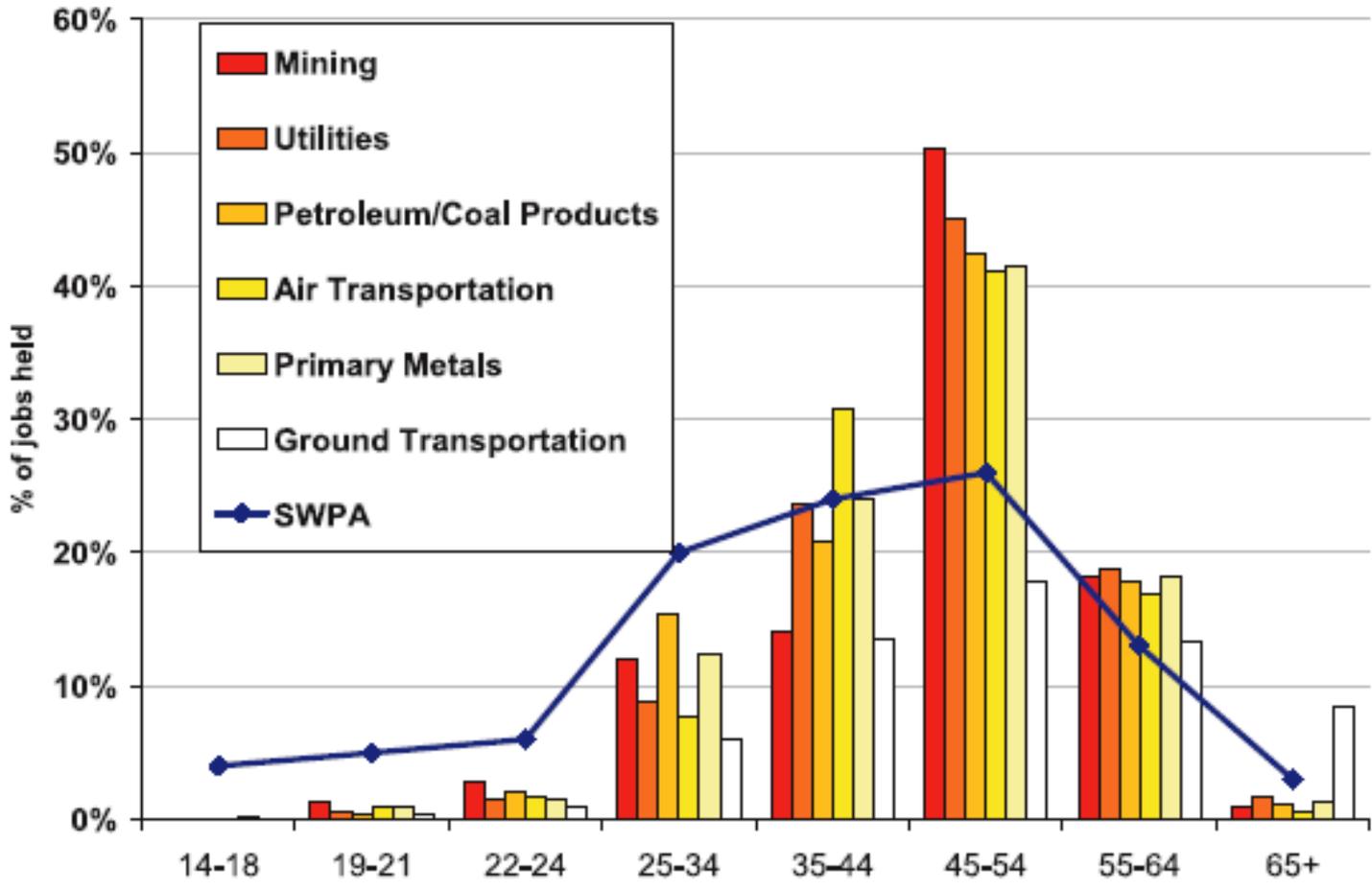


Our survey attempted to assess whether older industries had a problem, and what they were doing about it

- 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



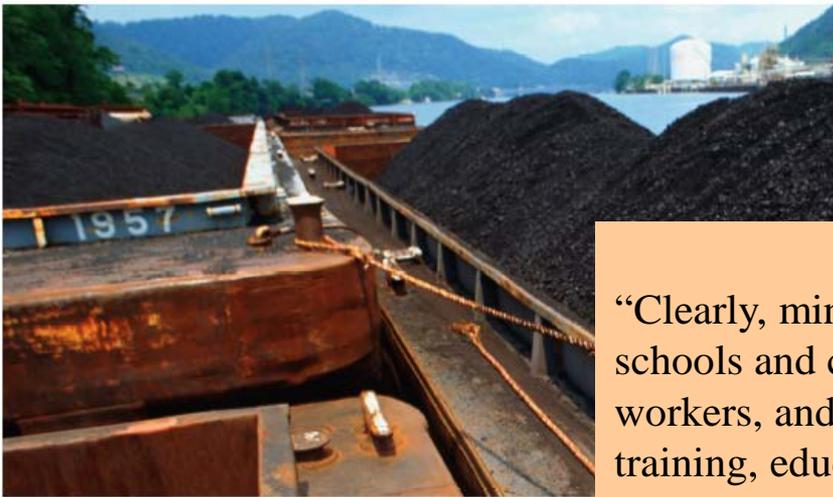
“George Ellis [President of the Pennsylvania Coal Association] noted that civil mechanical engineers, along with miners with particular state certifications may among be the first types of positions in the mining workforce likely to experience shortages. “



Managing the Changing Workforce in Southwestern Pennsylvania

A Closer Look at Issues Related to Our Region's Aging Workforce

May 2006



Mining

Highlights

Data from the U.S. Census department indicates that:

- Mining, particularly coal mining, has one of the oldest workforces in the region.
- The region's mining workforce is relatively small, supporting about 6,500 jobs.
- Greene, Washington, Allegheny, and Indiana counties all have sizable older mining workforces.
- Due mostly to coal mining, mining earnings are above the regional average, both for employees and new hires.
- Although net job growth in the industry from 2001 to 2004 was flat, large spikes in growth and loss occurred during this period.
- The industry hired an average of 575 hires per quarter from 2001 to 2004. Many of these hires are actually recalls of workers previously employed with the same firm.
- Although most new (not recalled) hires were in the 45-54 year-old age bracket, the industry hired an increasing percentage of younger new hires from 2001 to 2004.

Regional economic data and global trends indicate that:

- Mining has a small, but respectable economic footprint in the region.
- Heightened demand for coal will likely continue in the near future.

Conversations with related industry associations and academics with special knowledge of the industry,

“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”!



Contact Vanessa and Greg:

glagana@andrew.cmu.edu, 412-268-9810

vk11+pitt@edu, 412- 624-7731

Vanessa Lund

Project Director

University of Pittsburgh



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

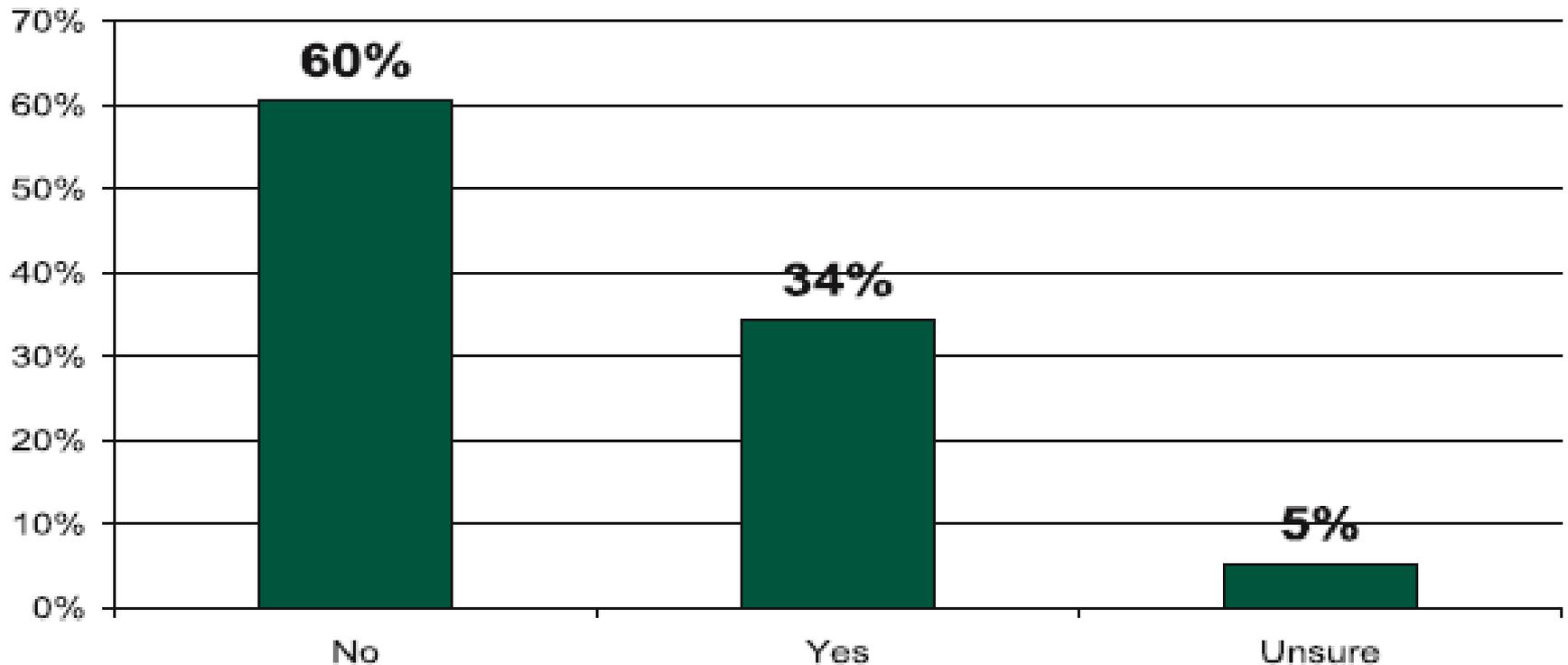
Importance of Ongoing Programming

- 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

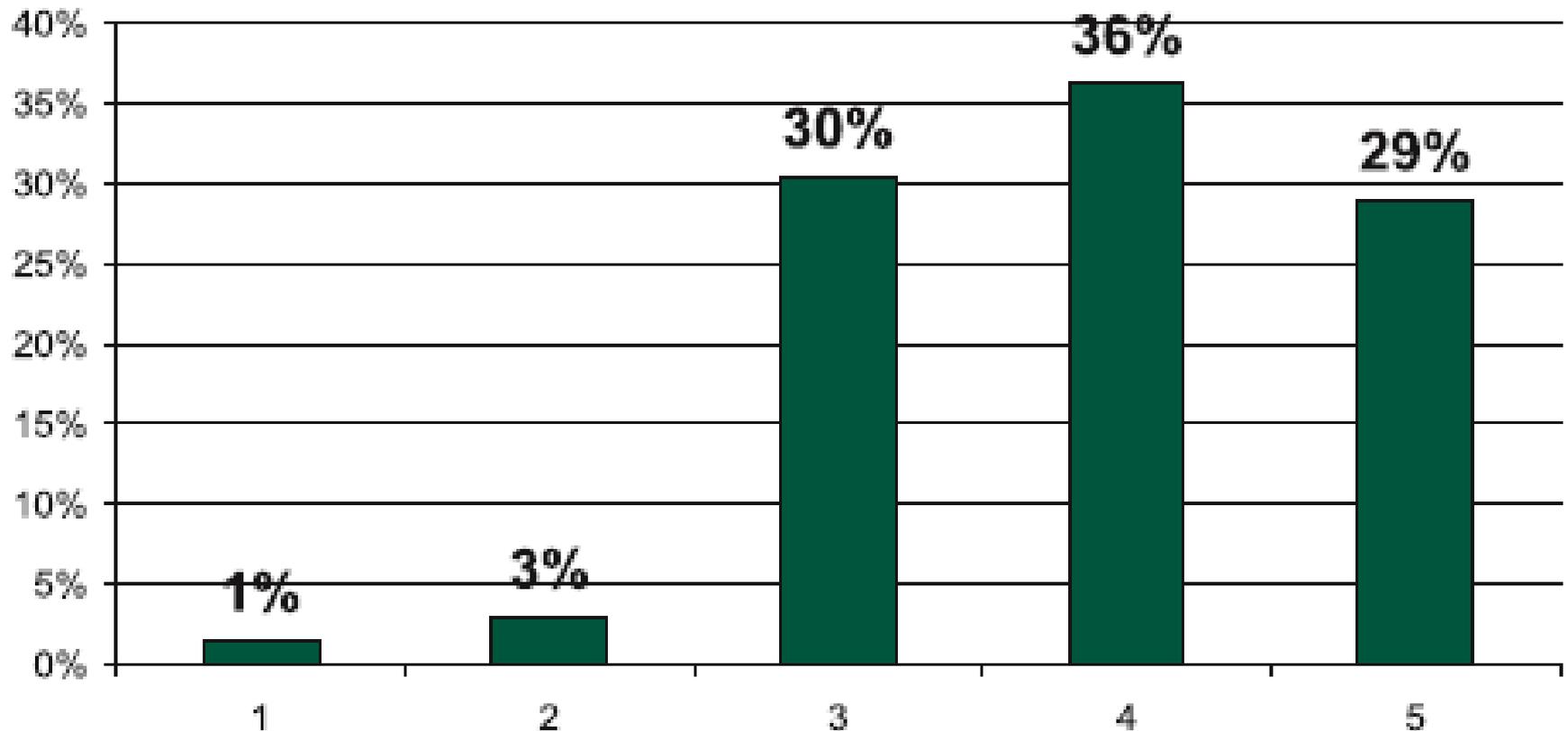
Supplemental Slides

**Data from the Surveys
Policy and Other Options**

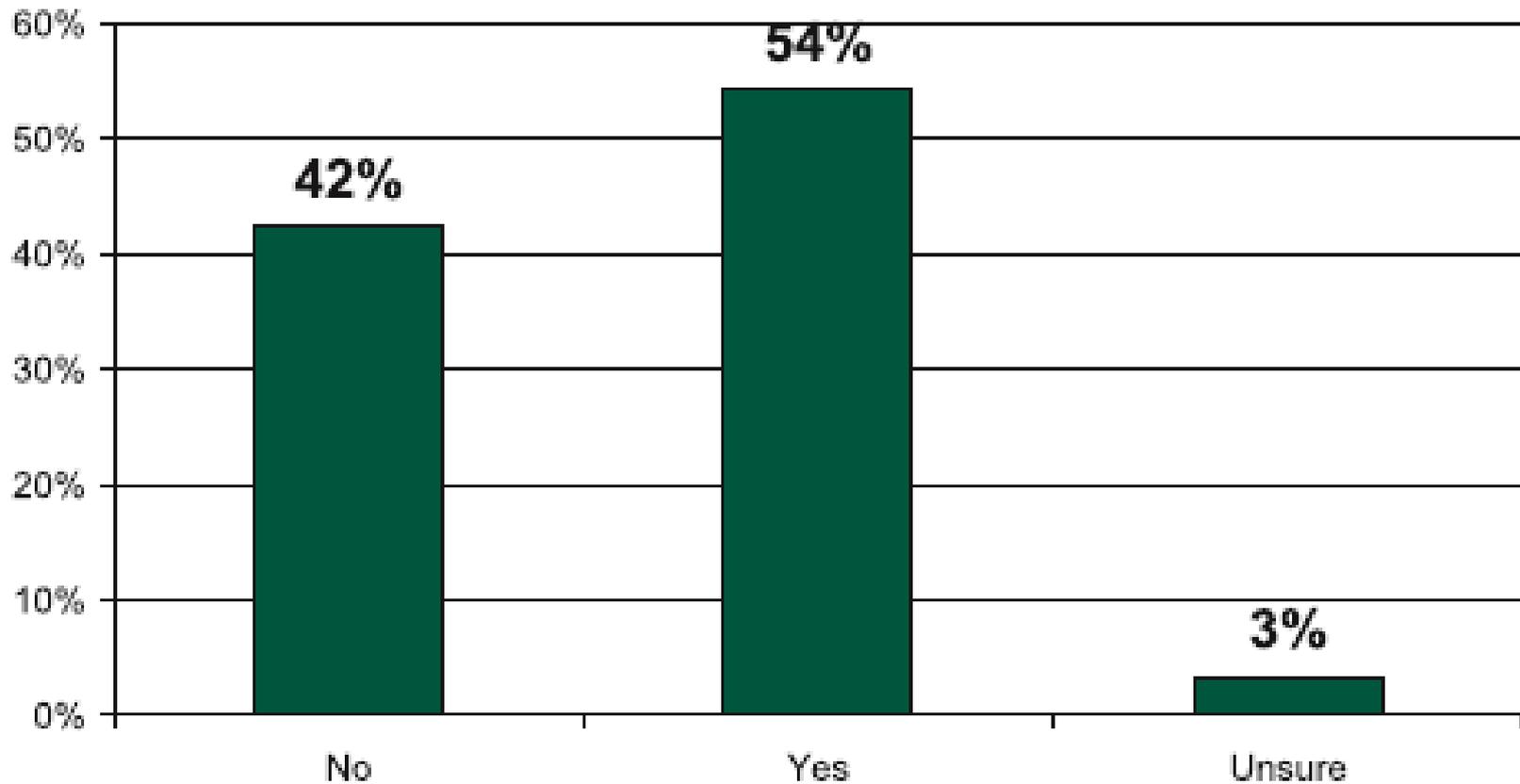
Q4 In the last ten years, has your organization studied the age of its workforce?



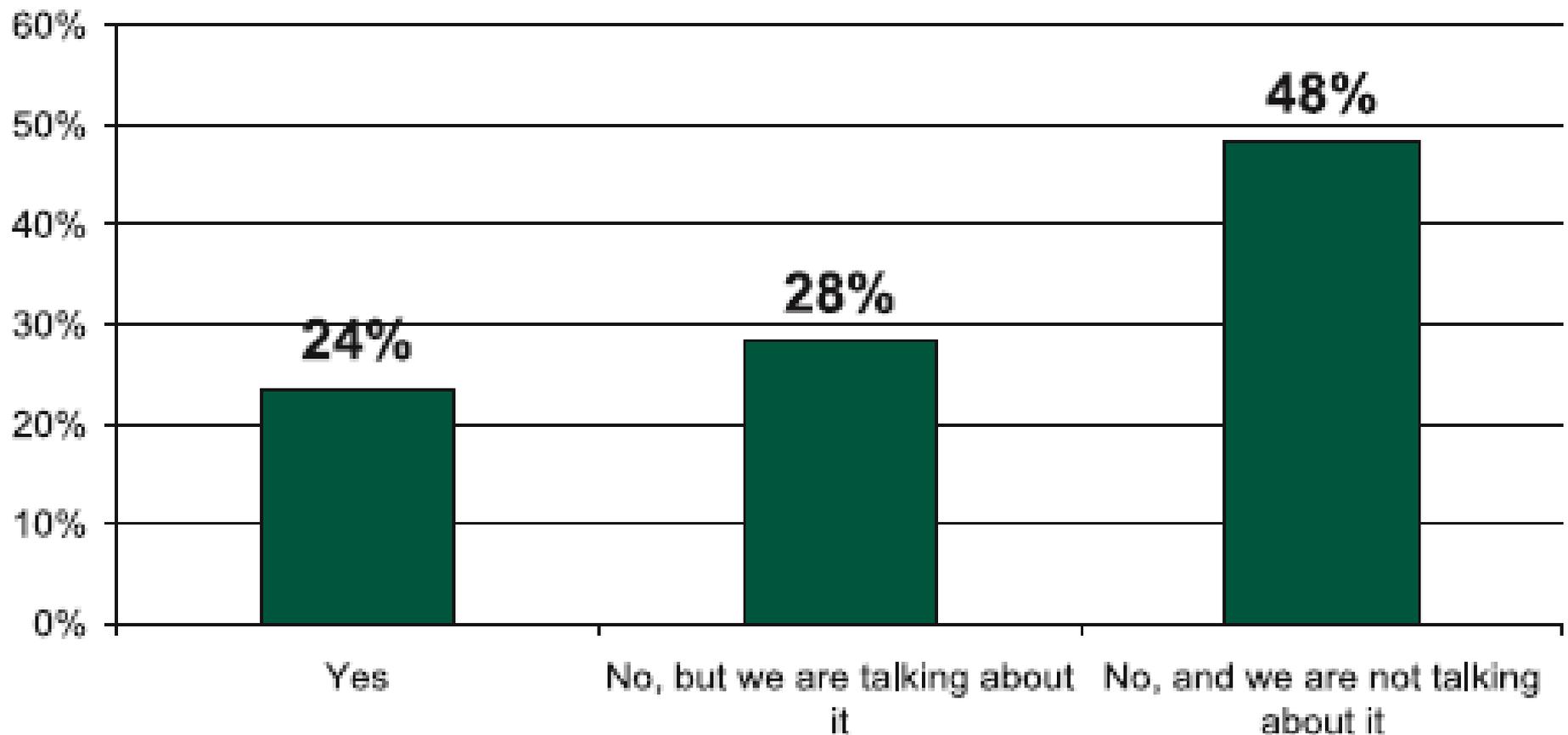
(For each position)
How serious is the shortfall?
(1 = not serious, 5 = very serious)



Q5 (If yes to Q4) did the study forecast a future shortfall of workers?



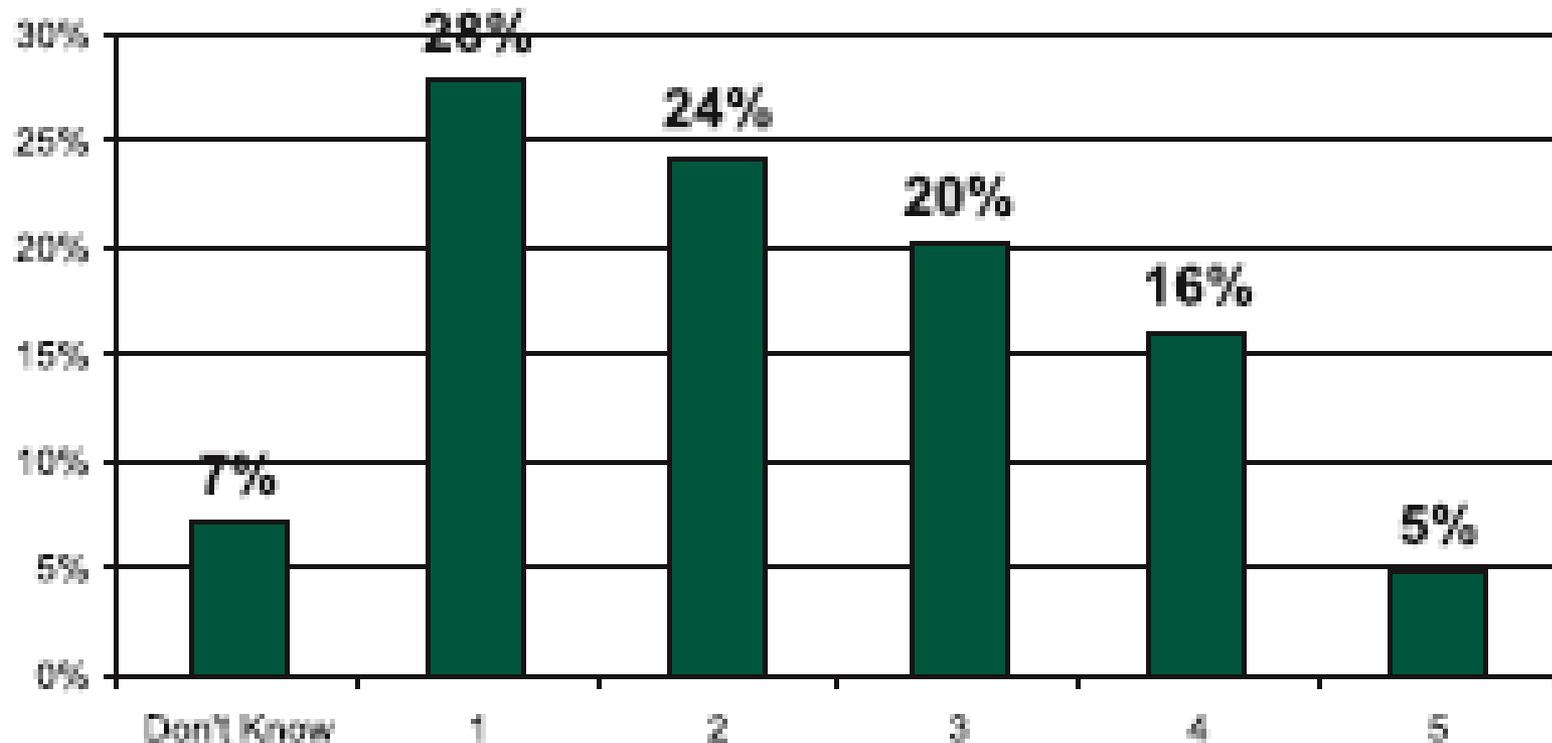
Q6 Regardless of your answers above, has your organization taken any steps to address a future shortfall of workers?



	We are doing this	We decided against this	We are still considering this	We have not considered this
Older workers mentoring younger workers	54%	1%	15%	29%
Flexible hours	37%	11%	11%	40%
Knowledge management	35%	4%	17%	44%
Working with education/training/workforce institutions	32%	3%	16%	48%
Contracting with retired workers	32%	7%	15%	46%
Increased recruitment and hiring	32%	2%	20%	43%
Participation in efforts that market careers in the industry	27%	5%	11%	54%
Taking steps to make jobs physically more comfortable for older workers	26%	4%	15%	53%
Formal succession plans	25%	3%	32%	40%
Job sharing / phased retirement	24%	7%	17%	50%
Working with job matching and recruitment providers	18%	6%	14%	62%
Modified retirement and pension plans	12%	13%	8%	65%
Telecommuting	11%	20%	6%	60%
Bonuses to forestall retirement	4%	21%	5%	70%
Sabbaticals in lieu of retirement	2%	17%	4%	74%



**Q10 To what extent...do you anticipate
problems replacing older workers...
(5 = "Big Problem")**



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

