

# Targeted Response to Economic Shocks: The Case of New Jersey

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**2009 LED Partnership Workshop**

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# The Problem

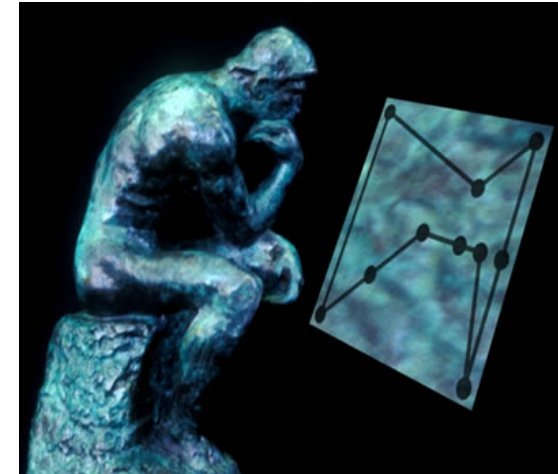
- **September 15, 2008:** Lehman's Brothers files for Chapter 11, Bankruptcy Protection.
- This was the last straw in a series of events that started in the housing market but quickly rippled throughout the economy.



# The Problem

## Two Issues

- Capacity Issue: The workforce system was already stretched to capacity.
- Skills Issue: The workforce system never had to serve the population of dislocated workers that are impacted by the current economic crisis.



# The Challenge

- We need to provide very quick and useful information.
- The information needs to guide two areas in the area of workforce development:
  - Employment Services
  - Business Outreach
- Time is of the Essence



# Three Big Questions

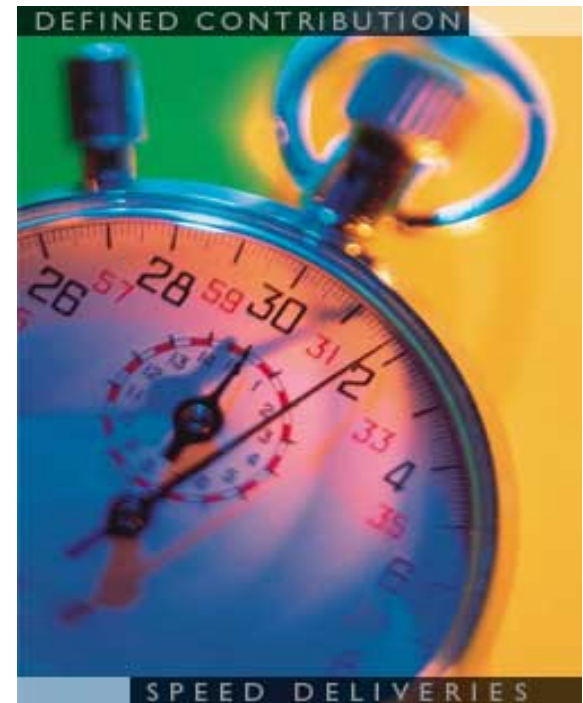
- **What** to expect?
- **Where** to expect it?
- **How** to respond?



# September 18, 2008

## LMI Response

- Within Days we were able to provide answers to all three questions.
- We were also able to provide needed direction.

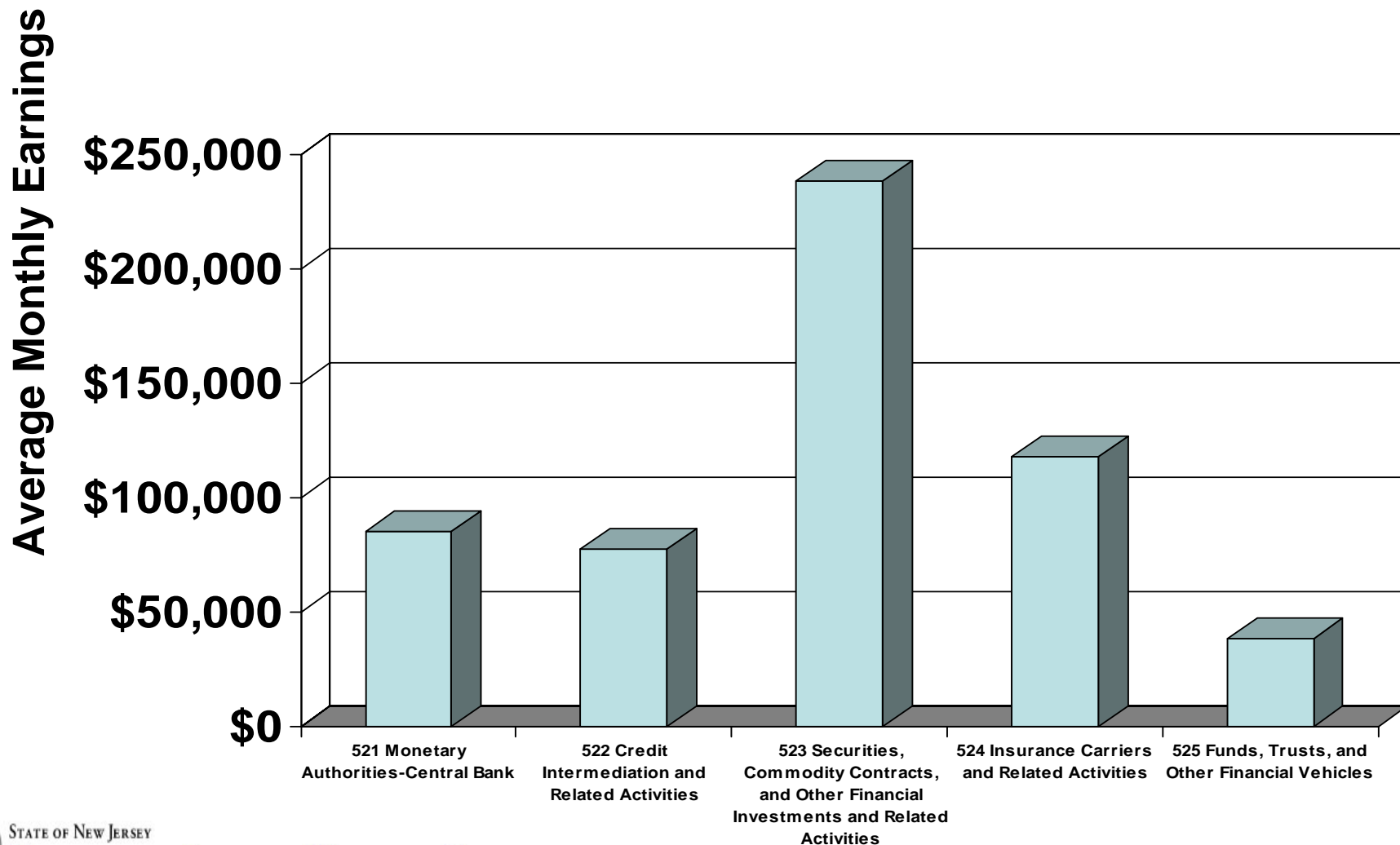




# What to Expect?

- One-Stop offices are expected to see an unprecedented surge in the volume of demand for the employment and training services.
- States Business Service divisions expected to see a huge increase in layoff events. We need to be more proactive.

## Potential Characteristics of Dislocated Workers in Finance Industry Average Annual Earnings



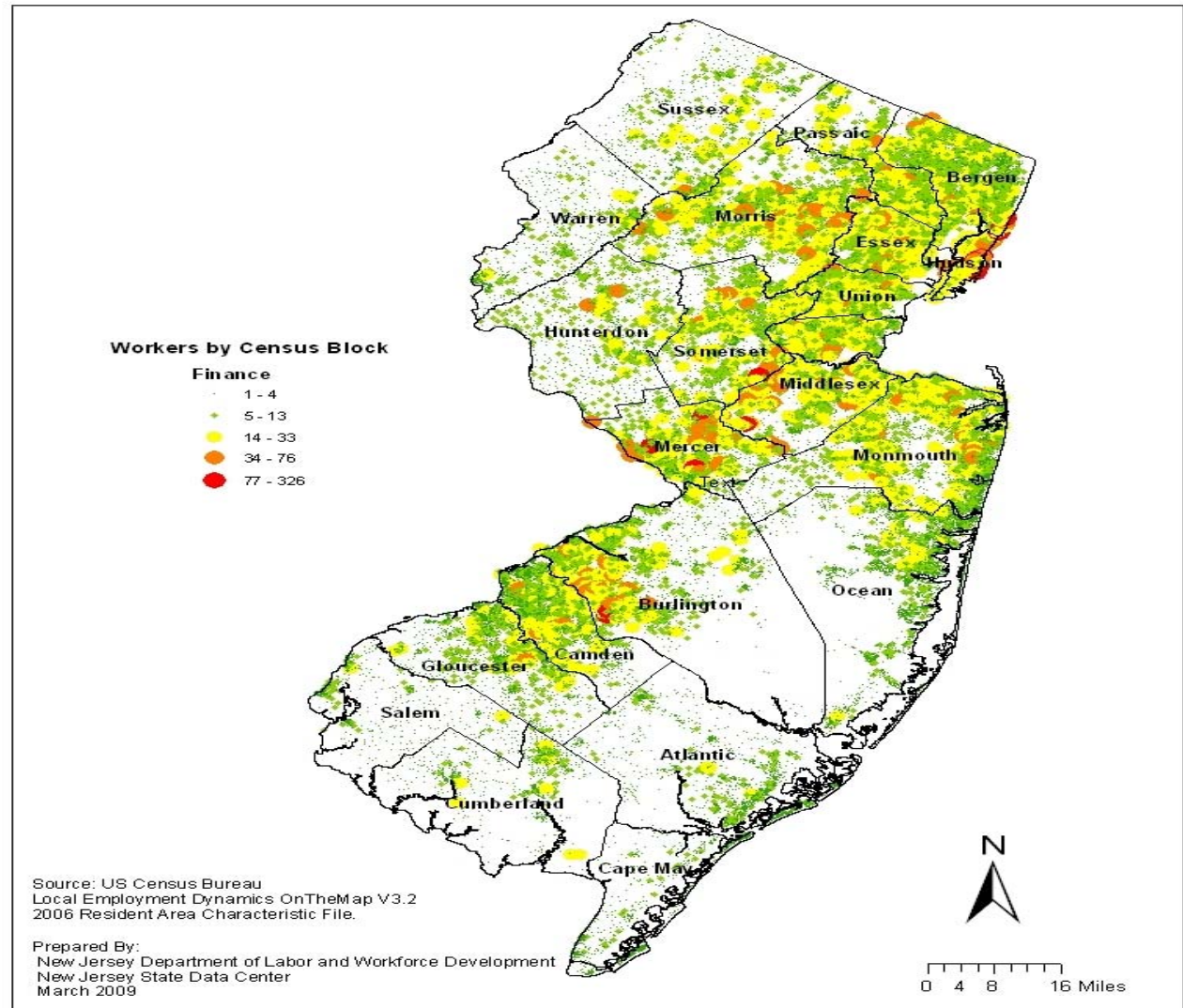


# Where to Expect It?

- Which areas will be impacted most?  
Which One-Stops will experience the greatest surge in demand for services?
- We quickly identified not just counties, but Census blocks with the highest expected increase in demand density.

## Finance and Insurance Labor Shed

- The majority of New Jersey finance workers reside in three locations:
- Northeast (easy access to jobs in NYC)
- Princeton Corridor (large Merrill Lynch campus)
- Southwestern (Philadelphia Metro Area)
- 



# How to Respond?

- Identify specific target areas for Employment Service programs.
- Identify Specific target areas for business outreach activities
- Identify potential partners
- Pool Resources with potential Partners.

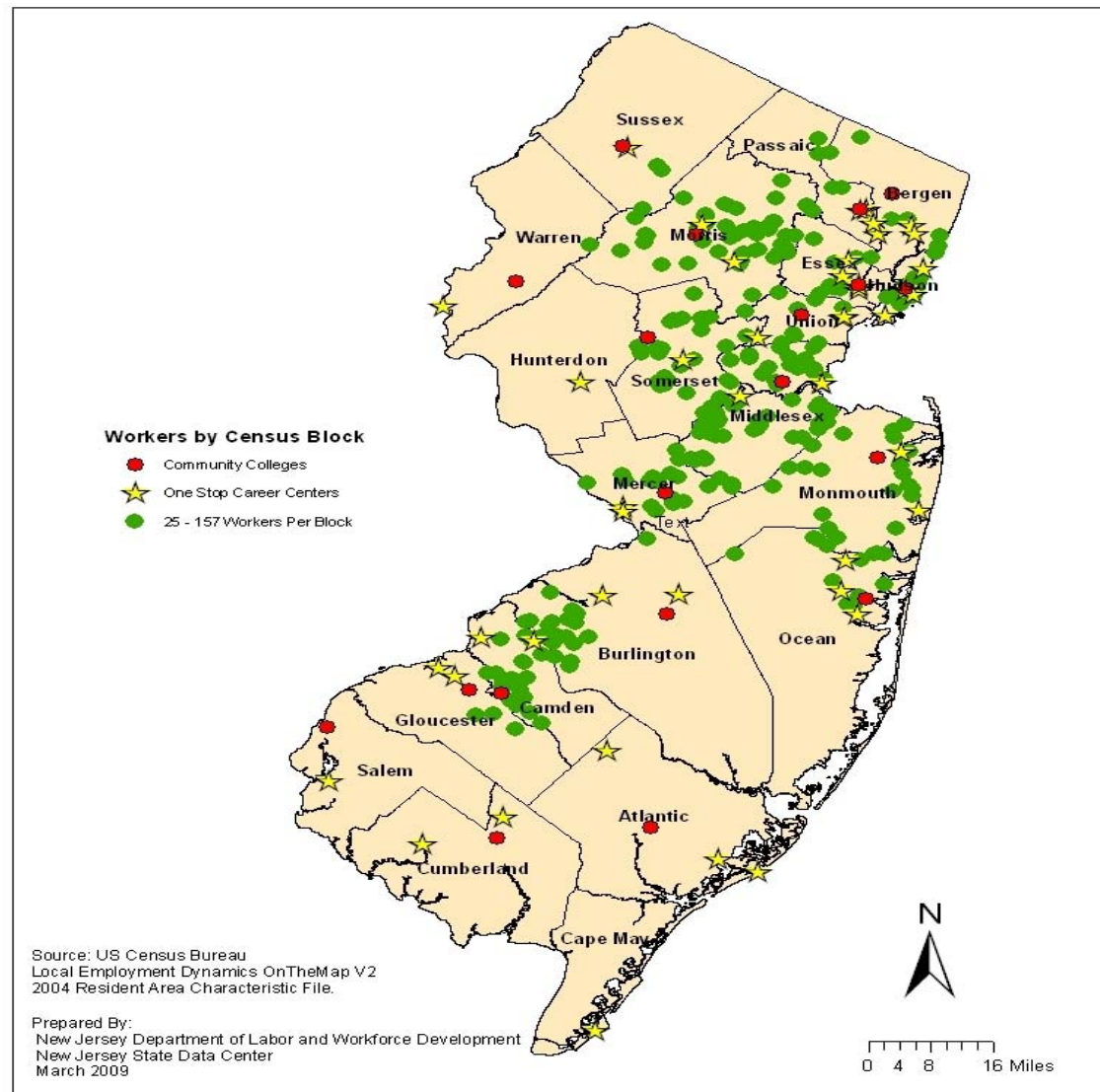
## Finance and Insurance Labor Shed

# Response 1:

### Resource Pooling

Potential Partners with strong career counseling services:

- Northeast: Rutgers Newark, Essex County College.
- Center: Mercer County College, Rutgers New Brunswick.
- South: Camden County College, Gloucester County College



# How to Respond?

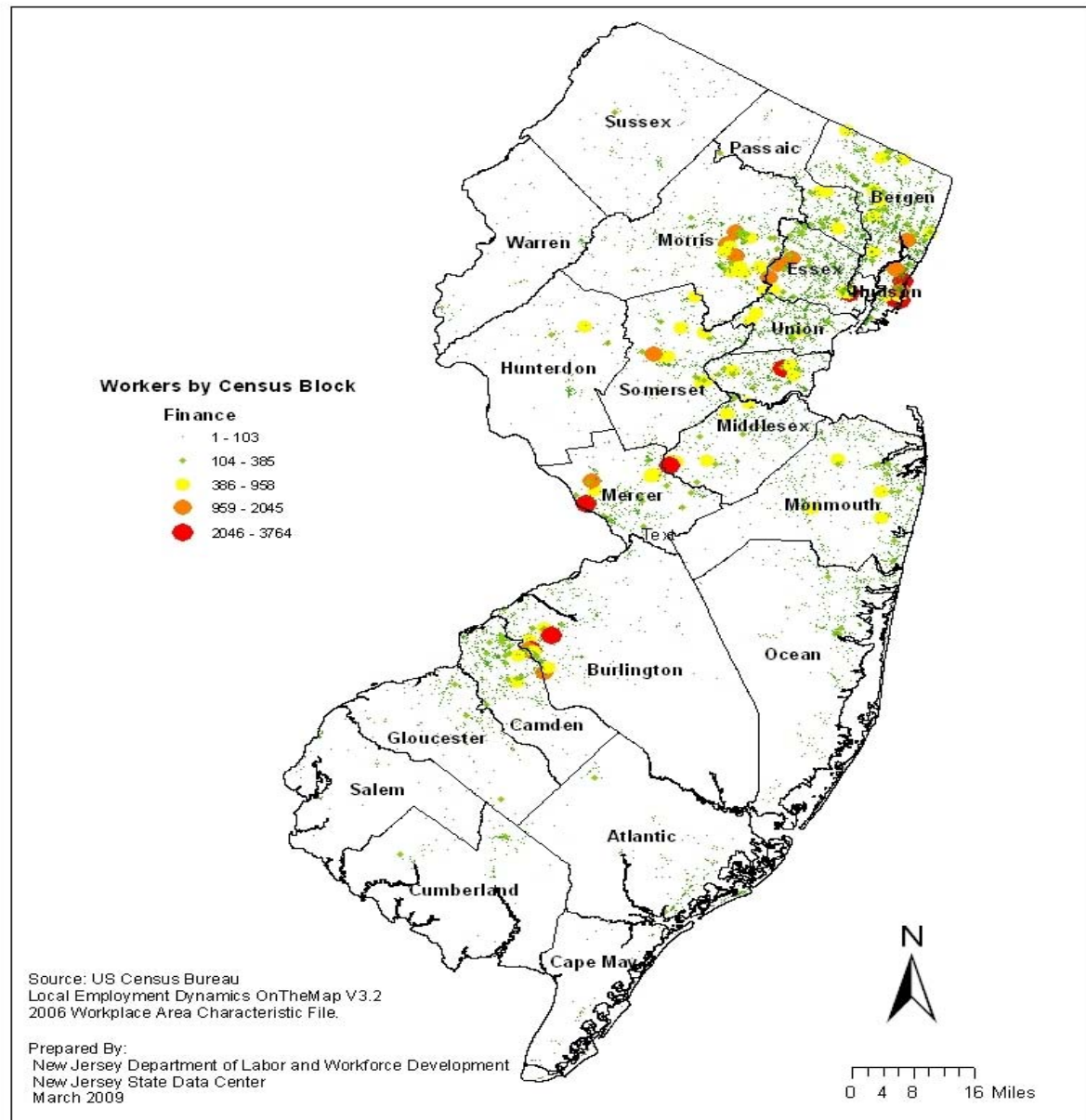
## Response 2

- Major reemployment events were organized and held at the three centers . Local employers and workers at risk were invited.
- Served at least 500 worker in each event, IN ONE DAY!
- LED provided the tool to zoom in on most effective target zones.
- Major Success!



# Response 3: Business Outreach

- Morristown, Bridgewater, Newark, Jersey City, New Brunswick, Trenton, and Mt. Laurel, identified for business Outreach activities.





## Response 3: Business Outreach

- We targeted both finance and non-finance companies.
- Incentive Packages Prepared and sent out.
- Follow-up Visits Employers in the area visited one-on-one.

# How To Respond?

## **Response 4: New LMI Tools**

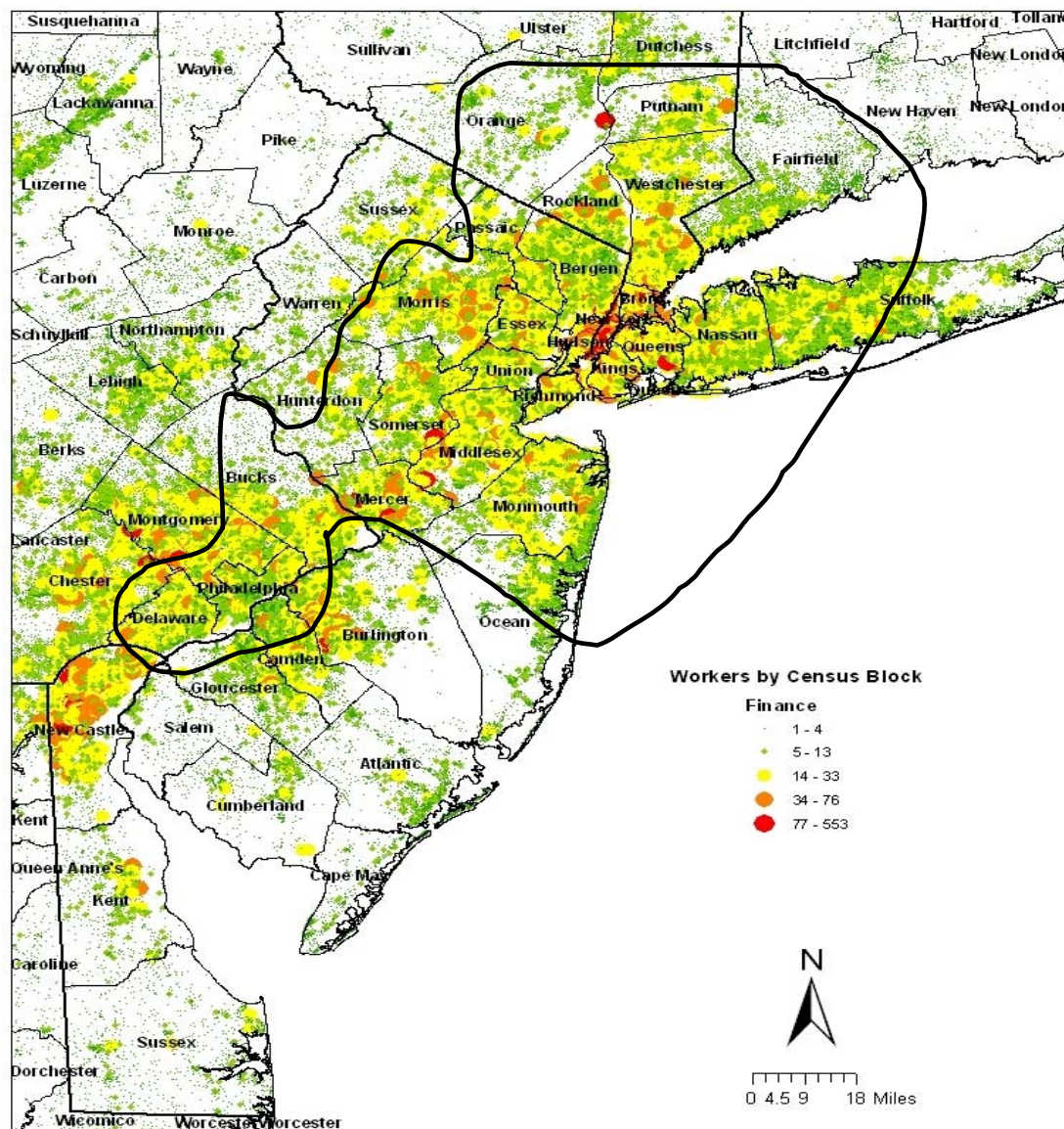
- We Mobilized to develop targeted tools for dislocated workers in finance.
- Counselor Manual — Dislocated Workers from the Finance Industry.

# How To Respond?

- Response 5: Capacity Expansion National Emergency Grant
- LED provided clues to what areas were most likely to be impacted by the financial meltdown.
- Note: The crisis hasn't taken place yet back in October. No CLAIMS, NO MASS LAYOFF EVENTS YET!

## Finance and Insurance Labor Shed

- 10 Counties in NJ
- 3 in CT
- 5 boroughs in NY.



# Conclusion & Recommendation

- LED provides direction, not answers.
- Through this practical experience we became aware that partners outside LMI were fascinated with what LED can do.
- It should be our goal to raise awareness of LED. Increased Awareness would lead to increased support for LED.

