



**Pee Dee Region
And
Regional Partnership
Workforce Development
Boards
State of the Workforce Report
2005**

*Setting the Stage
for a
Competitive Workforce*



PEE DEE REGION AND REGIONAL PARTNERSHIP

Workforce Development Boards

P.O. Box 1883

Asheboro, NC 27204-1883

Telephone: 336-629-5141

FAX: 336-629-1290

Corporation for a Skilled Workforce (CSW) is a national nonprofit workforce development policy and change management organization based in Ann Arbor, Michigan. (www.skilledwork.org) CSW specializes in helping communities thrive in a knowledge- and skill-based economy through the strategic development of community workforce, education, and economic capacity building. Our products and services include training, group facilitation, policy development, and executive coaching from the national level to the local level.



900 Victors Way, Suite 350

Ann Arbor, MI 48108

(734) 769-2900 (voice)

(734) 769-2950 (fax)

www.skilledwork.org

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State of the Workforce Report 2005

THE PURPOSE OF THIS REPORT

This **State of the Workforce Report 2005** (Report) for the Pee Dee and Regional Partnership regions provides a snapshot of the varied strengths¹ and challenges² for these areas. It also outlines important issues and frames key opportunities for action designed to answer questions about the areas' workforce preparedness in the new economy, which depends more on knowledge and skills than brawn and physical effort.

Current strategies and programs that deal with unemployed workers are very different from those available only five years ago. Though employment opportunities are greater now than they were in the past, the regions still deal with relatively low industrial diversity and an increasing wage differential among workers. The greater demand by employers for skilled workers means that today's workforce must develop the capacity to update their skill sets in order to survive in the evolving job market. Because of this, Corporation for a Skilled Workforce (CSW) and the local workforce boards set out to determine the best way to define the state of the existing workforce and its ability to become part of the new economy.

OBJECTIVES OF THIS REPORT

- **Identify competitive strengths and challenges for the Pee Dee and Regional Partnership regions;**
- **Build a credible foundation for strategic planning; and**
- **Engage policy makers and stakeholders.**

¹ Strengths are leverage points that can be built upon to improve a region's relative and absolute position in the national economy, leading to a better quality of living and employment for people and businesses in the Region.

² Challenges are the conditions that, if changed, will have the greatest impact on the quality of living and employment.

HOW THE DATA WAS GATHERED

The information was gathered between October 2004 and April 2005 by CSW.³ Recognizing that the workforce will be a key element in the regions' future economic well being, this Report examines current and projected regional labor force and business patterns.

CSW's process involved working closely with the local workforce boards to determine the most appropriate approach to gathering both secondary data (see Appendices) and stakeholder primary input. A steering committee was appointed that provided guidance every step of the way. Many databases were mined for labor force information, and the results were used as a factual background to the final analysis and the opportunities for action outlined in the report. Four focus groups were held with the primary stakeholders of the boards. They included business, economic development, education and governmental leaders.

Once all of the data was gathered, CSW produced drafts of this report to guide the boards in their strategic planning efforts. A strategic plan is now in place containing the goals both boards agreed to take action on over the next three years.

READING THE REPORT

The Report is organized around major themes and provides a snapshot of the regions' current workforce environment. The overarching goal of this Report is to share data with business, economic development, government, labor, education, and other community leaders that demonstrate a serious commitment to workforce development. Workforce issues must be an integral part of the debate about how to position Pee Dee and Regional Partnership for sustainable economic growth. Regional economic development cannot succeed without a strong emphasis on and strategic investment in workforce development.

The Appendices is a separate document containing more detailed data that can be used in future studies of the region. Data sets include community factors relevant to the local and regional labor markets, as well as qualitative analysis of the impact of trends on workforce excellence. It also provides an assessment of career development trends and the education system as they relate to meeting the needs of the emerging workforce.

³ Corporation for a Skilled Workforce is a non-profit organization specializing in capacity building to help communities thrive in a knowledge- and skills-based economy. It is headquartered in Ann Arbor, Michigan.

AREA DEFINITIONS

Pee Dee Region: Montgomery, Moore, and Richmond Counties

Regional Partnership: Alamance, Orange, and Randolph Counties

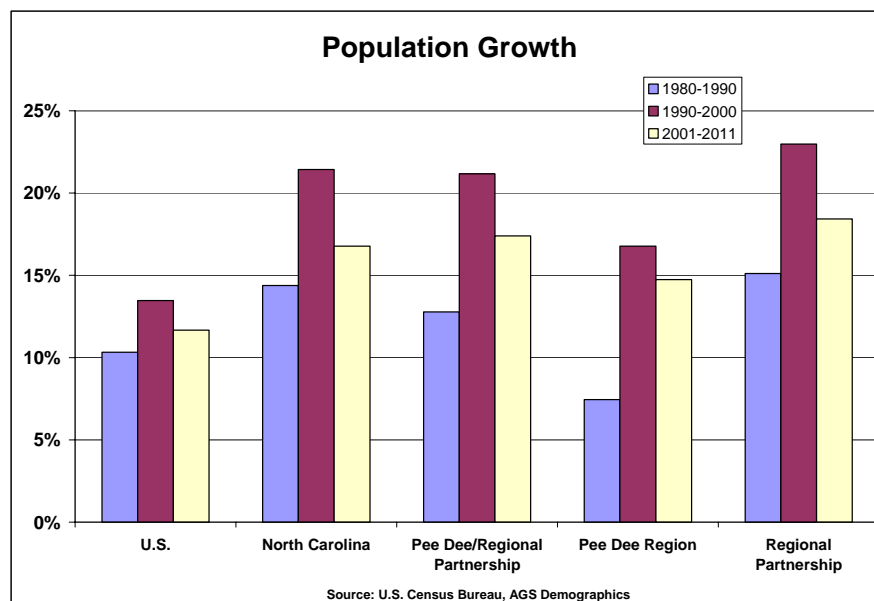
ACKNOWLEDGEMENTS

The Workforce Development Boards of Pee Dee and Regional Partnership and CSW thank the following individuals and organizations for participating on the boards' steering committee, and the many other community leaders from business, government and economic development that participated in focus groups:

Pee Dee Region	Regional Partnership
Dawn Apple – Chair Vice President, Carolina Eye Associates Southern Pines, NC	Keith Norwood – Chair Human Resources Manager, Armacell Mebane, NC
Kay Thomas – Vice Chair Sales & Marketing Manager, Dan Maples Golf Management Co. Cameron, NC	Reynolds Lisk – Vice Chair President, Neely & Lisk Insurance Co. Asheboro, NC
Dr. Mary Kirk President, Montgomery Community College Troy, NC	Rob Everett Dean of Continuing Education, Alamance Community College Graham, NC
Ron Munnery Director of Economic Development Rockingham, NC	Dianne Reid Director of Economic Development Chapel Hill, NC
JC Watkins Richmond County Commissioner Rockingham, NC	David Smith President, Credit Bureau Collection Systems and Asheboro City Councilman Asheboro, NC
Rebecca Watts Richmond County Literacy Council Asheboro, NC	Elizabeth Mitchell Asheboro United Way Asheboro, NC
	Alice Denson Orange County Literacy Council Chapel Hill, NC
	John Parker Good Works, Orange County Chapel Hill, NC

Summary of Major Themes

Pee Dee and the Regional Partnership are at a crossroads in planning a strategic direction for the future. Analyzing changes in the regions' industry base and population demographics is important in gaining a holistic understanding of the situation. There was a common sentiment among focus group members about the need for a unified approach to strategic planning, using both workforce and economic development perspectives. The counties in the regions are facing a major change in their industry base as well as in their population demographics. The global economy is having an impact on the regions: more companies are outsourcing, production plants are downsizing, and many communities are becoming more racially and ethnically diverse. Between 1993 and 2003, there was a decline of almost 30% in employment in the production industry, with a corresponding 30% increase in service-based industries. Manufacturing still employs over 20% of the labor force.



From a close examination of the region's demographics, it is clear that the population is both growing rapidly and getting older. Projections estimate the regions to grow by over 17% between 2001 and 2011, as compared with just under 17% for the state and about 12% for the country during the same time. In addition, over 13% of the regions' population is age 65 or older, compared with 12.5% and 12% for the state and nation respectively.

Furthermore, there is an increasingly diverse population in the region, evident from the seven-fold increase in the Hispanic population between 1990 and 2001.

Hispanic Origin by Region and County

	U.S.	North Carolina	Pee Dee & Regional Partnership	Pee Dee	Regional Partnership
1990	22,284,938	76,726	4,066	1,319	2,747
2001	35,682,411	383,169	30,449	7,193	23,256

Source: U.S. Census Bureau, AGS Demographics

National and global forces are influencing local and regional economies. As we examine issues facing the regions' workforce, we need to be aware of these external forces and factor them into our assessment of the regions' strategic planning. One of the mega-trends that is impacting the entire country is the growing trend toward outsourcing and "off-shoring" of jobs, with a mass movement of low-skilled, low-wage jobs overseas to locations such as India, China and Brazil where labor costs are dramatically lower than they are in this country. In fact, the volatility of the current economy has seen high-skilled medicine and accounting jobs being outsourced to other countries.

Getting less attention in the press, perhaps, are the inherent opportunities in these global trends. For instance, by promoting entrepreneurship, communities can spend less time worrying about lost jobs and declining industries, and instead spend time and energy to support the creation of new services, markets and products. Additionally, pressures on corporate governance speak to the opportunity for greater ethics and morals training in business and leadership courses. Environmental pressures are leading to a greater understanding of the importance of sustainability; many areas in the country are focusing their economic development only on sustainable, environmentally friendly industries. Increased concerns over various types of security risks and threats have prompted more interest in information security specialists, security officers, and new technologies and services. These changes will bring with them opportunities for innovation, new types of jobs and new skill sets. All of these challenges present many opportunities for the workforce development arena and education systems.

Pee Dee and Regional Partnership can capitalize on positive industrial and occupational trends to create and maintain a competitive workforce advantage. The combined Pee Dee and Regional Partnership regions experienced significant economic shifts over the past decade. The greatest impacts are in manufacturing, professional and business services, transportation and logistics, and healthcare related industries.

According to data from the Employment Security Commission of North Carolina, employment in the area is dominated by those working in education and health services, manufacturing, and trade, transportation & utilities. There has also been tremendous growth over the last decade in professional and

business services and construction. These kinds of occupations typify a highly skilled and well-trained labor pool. Furthermore, focus group members commented that the regions' workforce was highly skilled in manufacturing trades. These assets can attract new businesses and partnerships into the area.

The transition to automation in the workplace and global competition negatively affected the manufacturing industry, while an 80% growth in the professional and business services⁴ sector created new occupations and the demand for new skill sets. Manufacturing still holds a large share of employment, second only to the education and health services sector. The demand for labor in the manufacturing industry has shifted toward more specialized and skilled production. One focus group member said, "Technology driven automation is changing the production workplace at a faster pace than ever before." Computer literacy and program knowledge are becoming vital to manufacturing employment. Supporting smaller specialized manufacturers with employees who are computer literate and have core competencies will make the region more attractive to new businesses as well as meet the demand of current employers.

Fastest Growing Jobs: Pee Dee		Fastest Growing Jobs: Regional Partnership	
Computer & Systems Software Engineers,	%133	Computer Support Specialists	%105
Computer Software Engineers, Applications	%116	Computer Software Engineers, Applications	%100
Advertising and Promotions Managers	%100	Network Systems & Data Communications Analysts	%100
Personal Financial Advisors	%100	Occupational Therapist Assistants	%100
Database Administrators	%100	Desktop Publishers	%100

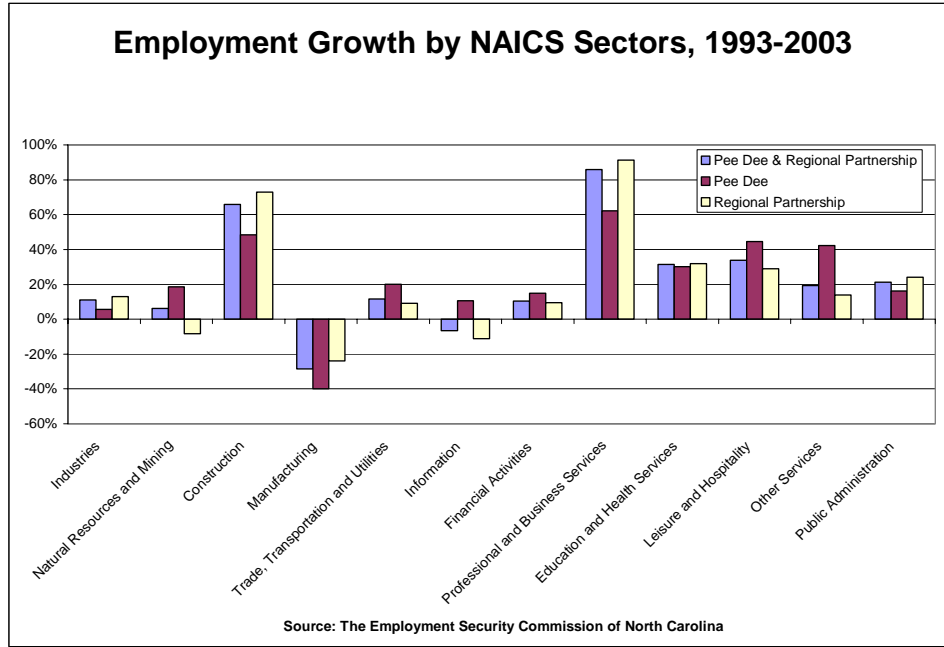
Source: The Employment Security Commission of North Carolina

The regions' proximity to several major cities and the interstate system, coupled with the existing production industry, has helped to create a stable transportation and logistics industry. Transportation and logistics is a dynamic and growing industry and cities all over the U.S. are vying for the businesses in this sector. Pee Dee and Regional Partnership have an opportunity to leverage their location, current transportation and logistics workforce, and strong community college system to attract businesses and supply workers to this sector.

The healthcare industry is growing all across the U.S. and Pee Dee and the Regional Partnership Area are no exception. Current occupational projections put several healthcare and health support occupations at the top of the fastest

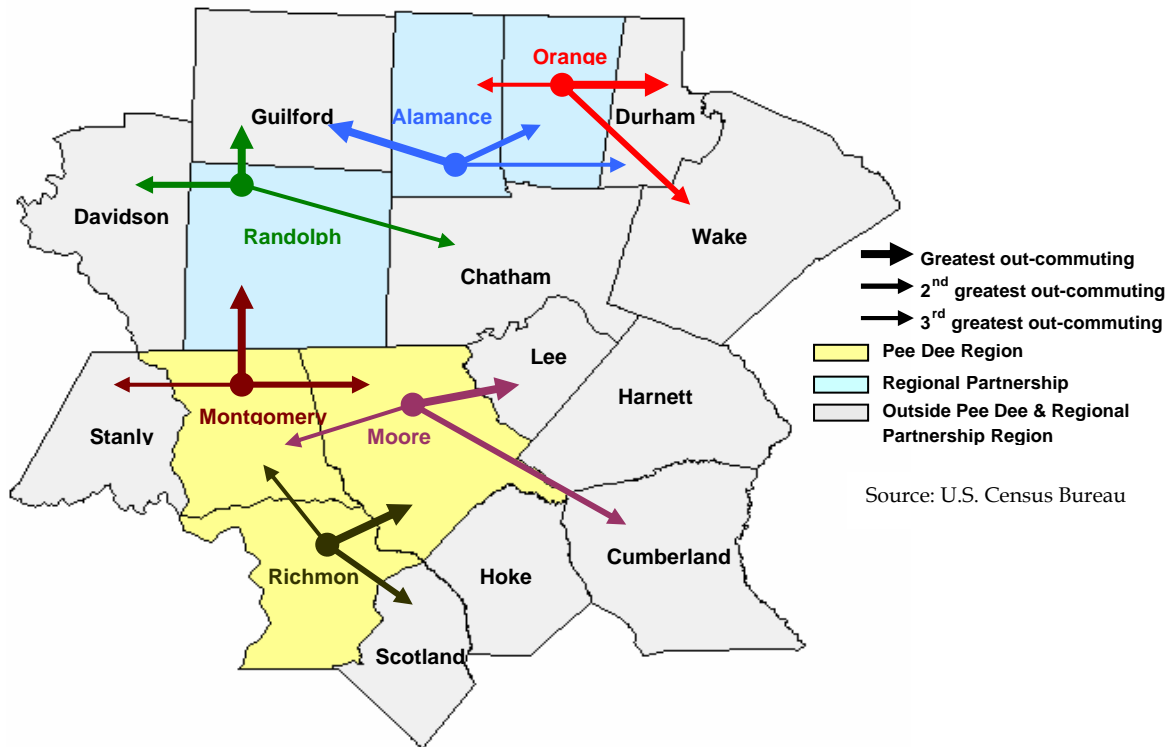
⁴ Professional and business services includes industries such as architectural firms, engineering, research and development, temporary help supply, job placement firms, legal firms, tax and accounting firms, management firms, etc.

and largest growing occupations lists. Many of those occupations are in the nursing and related fields. Despite the relatively high pay, the work is difficult and requires several years of training. The dwindling supply of healthcare workers will soon turn into a shortage, and as the population ages, the demand for healthcare workers will exceed the supply.



The workforce areas are experiencing a large wave of outbound commuting by residents, and should position themselves to attract these residents back to the counties to work. Members of the focus group also mentioned the concern with youth moving outside the region for post-secondary education and not returning after they are through with school. Currently, 28% of the employed workforce is finding work outside the two regions. Each day, 70,992 Pee Dee and Regional Partnership residents leave to work in counties outside the two regions, while 48,251 residents from outside the two areas come into the counties for work; this is a net difference of 22,741 commuters leaving the area for work. The number of commuters that travel out of the region for work has the potential to increase as the mobility of the workforce increases. Both Pee Dee and the Regional Partnership face similar issues that are common for bedroom communities located next to larger urban areas that are typically hubs for economic activities.

Top Counties Commuted To for Residents of Pee Dee & Regional Partnership⁵



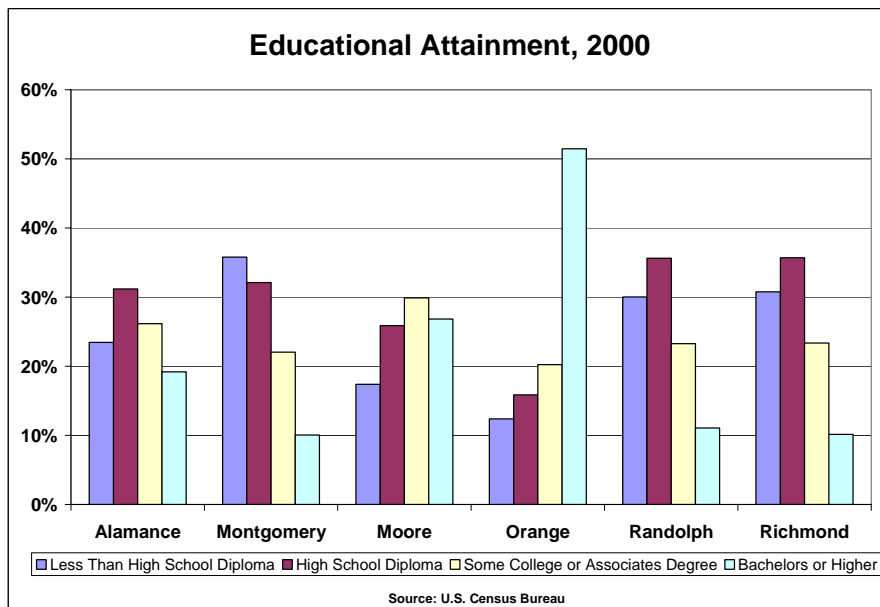
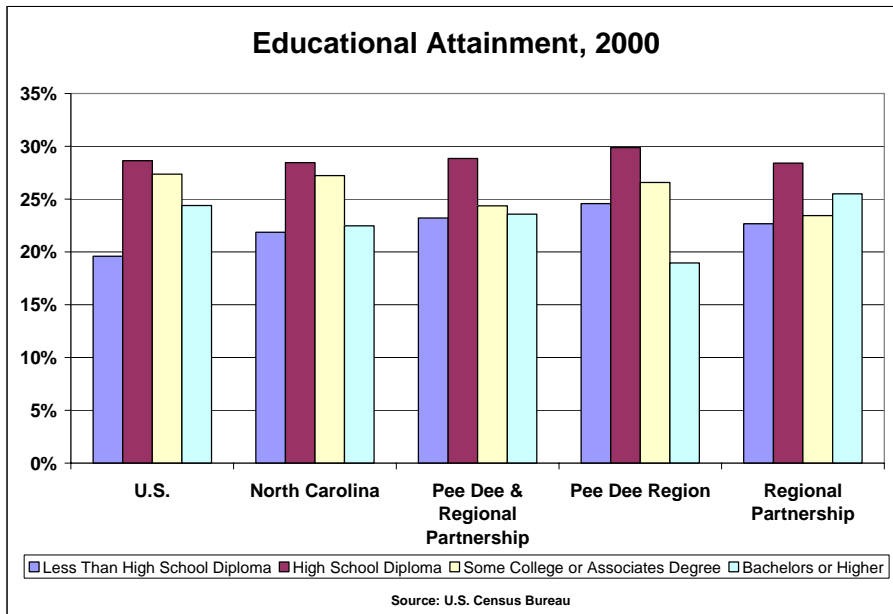
The regions have an excellent post-secondary education system.

Focus group participants concurred that the regions have high quality community colleges, citing their exceptional performance in furthering education, retraining, and upgrading incumbent worker skills. They felt that the community college system was also highly responsive to business needs. The region also has access to a world-class university system that includes numerous public and private institutions, including Duke University, North Carolina State, and UNC Chapel Hill.

Despite these resources, educational attainment levels in the regions lag behind state and national averages. There is also a growing gap between those who are excelling in the schools and those who are not. In particular, the Hispanic population has significantly lower educational attainment levels than the state; according to Census data, over half of Hispanics have less than a high school diploma while a third have less than a ninth grade education. Yet there are pockets in both regions that exceed the state and nation in residents having Associate degrees. For example, in Orange County, home to the University of North Carolina at Chapel Hill, 50% of the

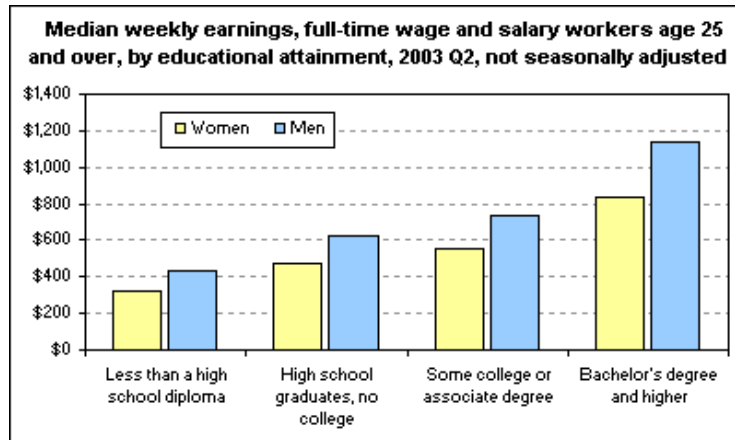
⁵ U.S. Census Bureau 2000 Commuting Patterns

county's workforce has at least a bachelors or above, far exceeding both state and national educational attainment levels.



Nationally, students understand the importance of education as reflected by responses from 84% of high school graduates, who say they need to go to college or receive more formal training in order to get the jobs they want⁶. National and local

⁶ *Rising to the Challenge: Are High School Graduates Prepared for College and Work?* Achieve, Inc., February 2005. Sample of 1,487 public high school students taken from the classes of 2002, 2003, and 2004.



data confirm the value of a college education. As illustrated in the chart above, it is clear that there is a positive correlation between education level and salary.⁷

It is important to recognize that four-year degrees are not the only option to consider when deciding what to do after high school. Nationally, 67% of all students of the 1997 high school graduating class who went to college earned a bachelor's degree, but only 23% of the nation's jobs in the same period required a bachelor's degree.⁸ Consequently, many four-year degree holders may find themselves underemployed.

Therefore, while a college degree can be a valuable asset, it may not necessarily be the only means of preparing oneself for the workforce. Besides the option of continuing education in a four-year college, alternative and equally feasible options include two-year technical degrees and career training. Anecdotal data suggests that anywhere from 45% to 75% of community college enrollments nationwide are students with a four-year degree seeking technical skills training.

To enhance the post-secondary education and training system, regional leaders should consider integrating elements of a 21st Century Workforce Curriculum into their programs. Employers consistently say they want someone who is trained in "soft skills" and then they can train them further on their specific business enterprise, but the definition of "soft skills" differs from employer to employer. The Northwest Center for Emerging Technologies developed skill standards for the information technology sector in 2000⁹ that resonate as an appropriate curriculum with employers in all industries. Examples of some possible skill-sets are listed below:

⁷ Earnings by educational attainment available through U.S. Bureau of Labor Statistics, Monthly Labor Review, <http://www.bls.gov/opub/ted/2003/jul/wk2/art05.htm>

⁸ Data excerpt from *Getting Real: Helping Teens Find Their Future*, Dr. Kenneth Gray, Professor of Education in the Workforce Education and Development Program, College of Education, Penn State University, Corwin Press Inc., 2000.

⁹ *Building a Foundation for Tomorrow: Skill Standards for Information Technology*, Northwest center for Emerging Technologies, 2000 (sponsored by National Science Foundation).

Cross-Sector Core Skills:

- Project Management
- Task Management
- Problem Solving

Core Tech Curriculum

- Analytical Skills and Problem Solving
- Business Organization and Environment
- Coordination and Communication Skills
- Core Computer & Hardware Software Skills
- Project and Process Flows

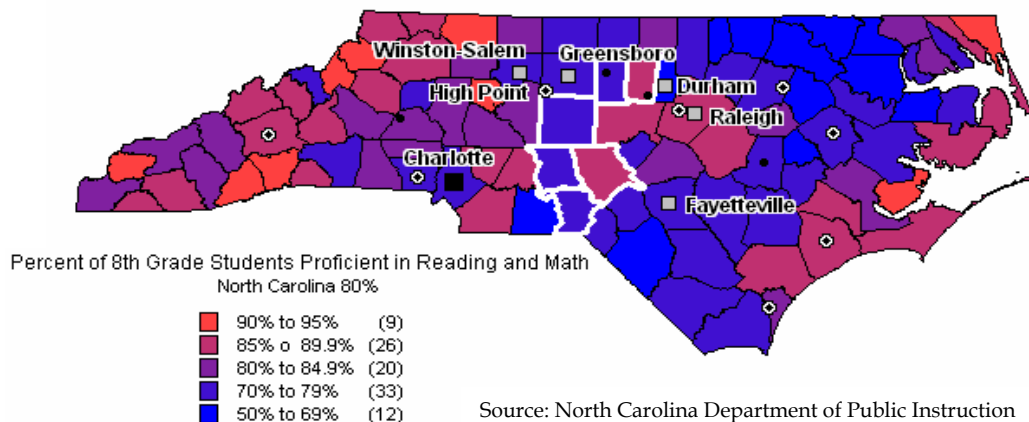
Employability Skills

- Communication
- Organization
- Team Contribution and Leadership
- Professionalism
- Critical Thinking and Decision Making
- Customer Relations
- Self-Directed and Continuous Learning

The K-12 education system needs to continue its improvement in adequately preparing the regions' youth for the workforce.

The 2003 data indicates that the high school dropout rate was at or below the state average in four of the six counties. This is an improvement over the 2001-2002 school year when four of the six counties had dropout rates exceeding the state average. In addition, all the counties increased the percent of students passing eighth grade basic reading and math proficiency exams between the 1997-1998 school year and the 2002-2003 school year. Four counties had proficiency ratings below the state average of 80%.

Percent of 8th Graders Proficient in Reading and Math¹⁰



However, in a national survey, nearly 40% of high school graduates across the country say that they are inadequately prepared to deal with the demands of employment¹¹. Thus it would be advantageous to promote career awareness within

¹⁰ North Carolina Department of Public Instruction

¹¹ *Rising to the Challenge: Are High School Graduates Prepared for College and Work?* Achieve, Inc., February 2005. Sample of 1,487 public high school students taken from the classes of 2002, 2003, and 2004.

the emerging workforce so that young people can understand how their personal career goals align with the needs of the current and future labor market. Interventions executed throughout the students' formative K-12 years are optimal, as students are most easily influenced during this period, and will have ample time to consider the range of educational and career options available to them.

The Pee Dee and Regional Partnership need to address infrastructure challenges and transportation issues. Many participants in this study believe the area is a great place to live and raise a family. However, nearly all focus group members mentioned the growing gap between “haves and have nots,” and infrastructure issues related to the utilities and transportation. Currently, there are pockets in the regions that are not serviced by water and sewer, and these are infrastructural impediments to development. Furthermore, there is a growing transportation gap with areas that have access to interstates and others areas that do not. Communities without interstate access will be challenged to take advantage of the regions' growing logistics industry and the related economic advantages associated with such a strategy.

Five major sectors drive the region's economy. Although no formal sector strategies are in place, these five sectors or industries emerged from secondary data research and were identified by the focus groups as key components of the region's economic landscape. The sectors or industries are:

- **Business and Professional Services.** This sector experienced the largest growth of any sector in the regions, with over 80% increase in employment between 1993 and 2003. As noted above, the workforce in this sector tends to be highly educated, holding four-year degrees. **Skill needs most often noted by employers in these industries are customer service, critical thinking and project management.**
- **Manufacturing.** While manufacturing employment has been in decline due to plant closures and outsourcing, it still represents over 20% of the employment base in the region. Every county has at least one manufacturer in their list of top ten employers. Focus group participants specifically noted the strong manufacturing and production skills of the current workforce. Advanced manufacturing industries (e.g., niche production and technically advanced manufacturing) have the capability to expand business in the region if the right incentives and infrastructure are set in place. The recent announcement by Dell to construct a new computer plant near the Partnership Region (Forsyth County) signals the potential for a new center in the advanced manufacturing sector. The region will benefit by attracting supplier spin-offs with its educated and trainable workforce. **Skill needs most often noted by employers include**

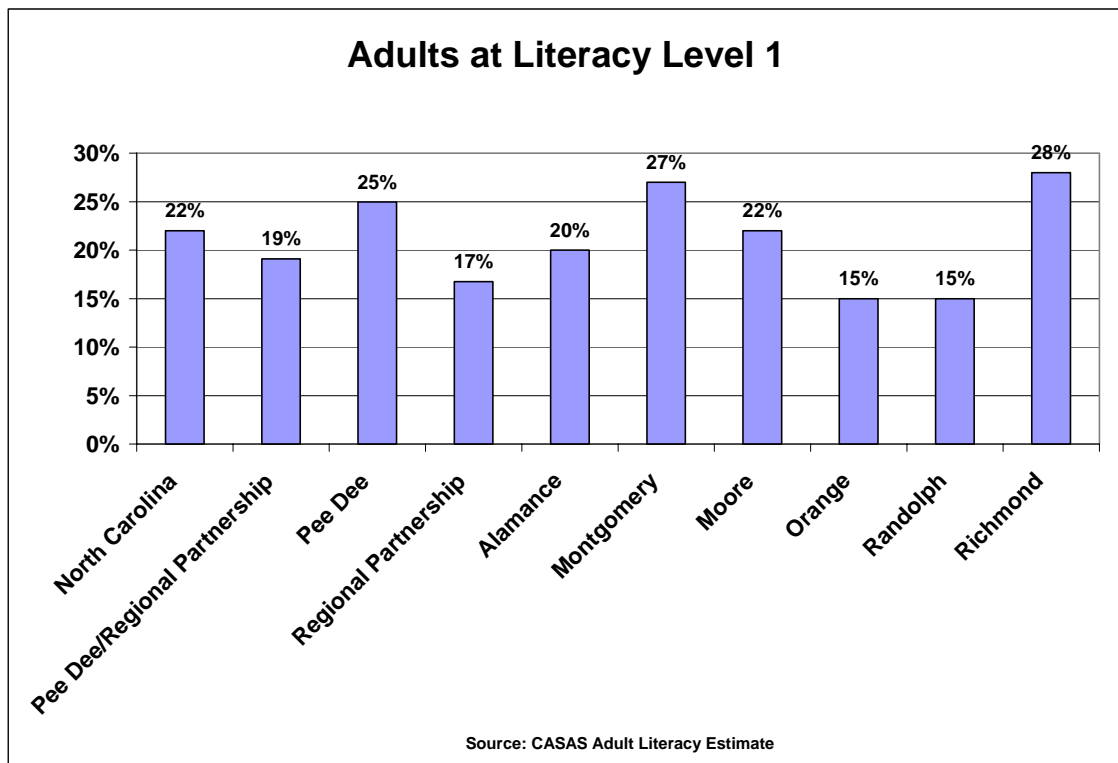
basic reading, writing, and math skills, but also computer literacy, problem solving, and active learning.

- **Healthcare.** While not the fastest-growing industry, the healthcare and education industry currently employs more people than any other in the regions. The greatest shortages are for registered nurses, healthcare faculty, nursing aides, orderlies, and attendants. **Besides technical training, skills most needed are time management, work readiness (e.g., attendance, punctuality), and customer service.**
- **Tourism and Hospitality.** Employment in the tourism and hospitality industry has increased by nearly 40% since 1993, with nearly one in every ten workers in the region employed in tourism and related industries. The tourism industry is playing a larger role in the regions' economies; focus groups specifically mentioned growth in businesses related to PGA and NASCAR events. **Skill needs most often noted by employers are customer service, work readiness, and interpersonal communication.**
- **Transportation and Logistics.** This sector has increased its share of the employment base by 20% over the past ten years. Across the two regions, this sector employs the third largest number of workers. This dynamic sector includes a wide range of occupations requiring the full spectrum of education and training levels, from managerial and technical positions to machine operator and manual labor requirements. Much like manufacturing, **the sector is moving toward automation and utilizes similar skill sets.**

Challenges for the *Pee Dee Region*

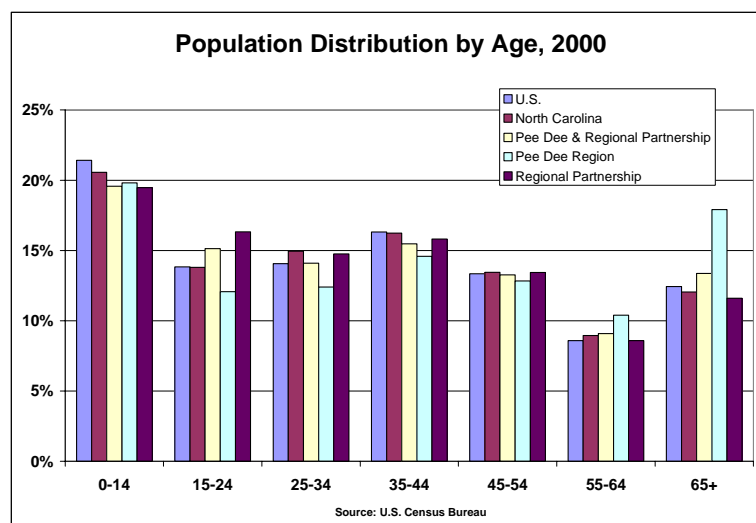
ADULT LITERACY

The National Institute for Literacy reports data for five levels of literacy with Level 1 identified as the lowest level. Adults at Level 1 cannot typically read a paragraph article and identify what State is being discussed, total a bank deposit slip, or identify information on a drivers' license. Both Montgomery and Richmond Counties exceed the state percentage of adults at Literacy Level 1. The state has 22% of the adult population at Literacy Level 1, while Montgomery and Richmond County have 27% and 28% at Literacy Level 1 respectively. Low literacy levels keep many residents out of contention for decent paying jobs, and exclude them from participation in training programs that can lead to better paying jobs.



THE AGING WORKFORCE

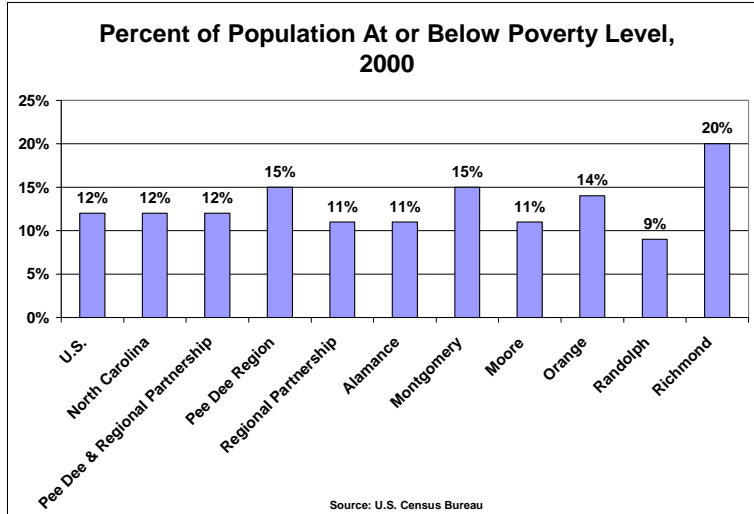
Pee Dee has an older workforce than comparison areas with median age in 2001 at 39 years of age, four years older than the state and the nation. Projections indicate that by 2011, the median age will be 42. That is five years older than state median levels and six years older than the nation. By 2011, Moore County is expected to have a median age of 46 years old, 10 years older than the 2011 national level. Members of the focus groups are concerned that youth are moving outside the region for post-secondary education and probably not returning when they finish school.



Focus group information coupled with the population data indicate that the regions may not have the steady stream of workers they need to fill the gap created by older workers who are exiting the labor force.

LABOR FORCE GROWTH AND JOB GROWTH

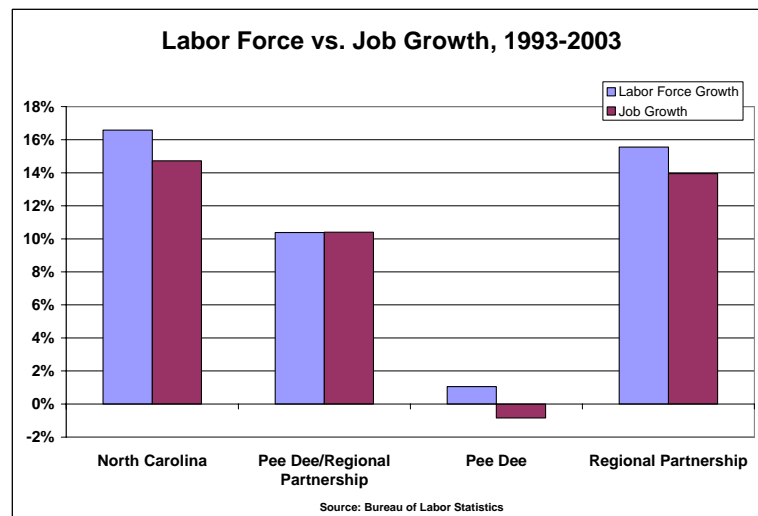
The Pee Dee Region experienced an exceedingly low labor force growth rate between 1993 and 2003. Compared to the North Carolina labor force, which grew by 18% within the ten-year period, the Pee Dee Region is far behind at only a 1% growth. In addition to a low growth in labor force, it also experienced negative job growth. The region lost 40% of its manufacturing jobs between 1993 and 2003 due to downsizing and plant closures, and was the only industry in the region to experience a decline in employment over that time-period. The misalignment will have negative effects on the region. Businesses may not be attracted to an area because of the limited growth of the labor pool, and job growth will not increase unless businesses invest in the region.



POVERTY

In the Pee Dee Region, there are a significant number of people living in poverty. The region's poverty rate is higher than that of both the state and the nation. The higher overall poverty rate translates to higher single parent family poverty, higher youth poverty, and an increasing gap between the "haves" and the "have nots."

The 15% poverty rate for the region translates into 21,000 people living at or below the poverty line, many of whom are not participating in the labor force. Within the region, the poverty rates vary considerably. Moore County has an 11% poverty rate (which is below both the state and nation) while Richmond has the highest poverty rate at 20%.



Challenges for the Regional Partnership

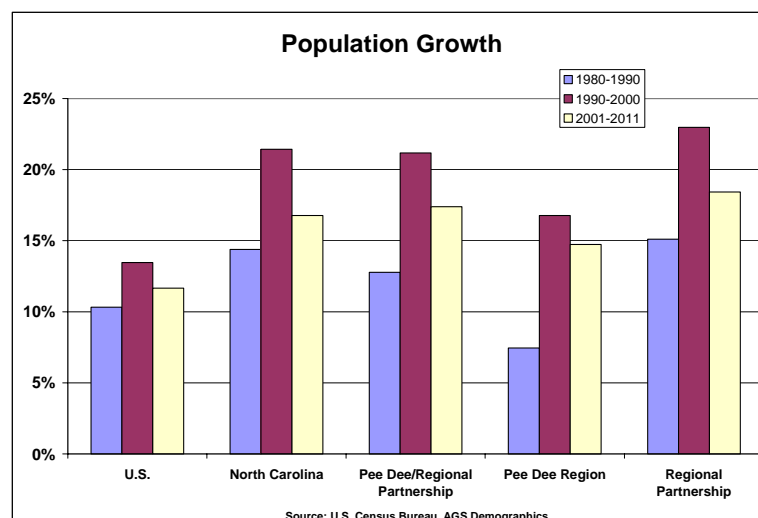
LITERACY

Focus group members mentioned Regional Partnership literacy as a hindrance to growth. The region fairs better than the state in adults at Literacy Level 1, but the region still has 16% of the adult population at Literacy Level 1 (this amounts to roughly 48,700 adults in the region). Secondary data shows that the region is falling behind the state when it comes to proficiency in basic reading. Between 1998 and 2003, Orange County was the only county in the region to have a consistently high percentage of students passing the proficiency exam.

Excellent non-profit institutions have established their organizations in particular counties to tackle the issue of literacy. However, literacy remains a problem that keeps people from getting and maintaining quality jobs, and incumbent workers from retraining and upgrading their skills. Efforts need to intensify in order to address literacy issues on a regional level.

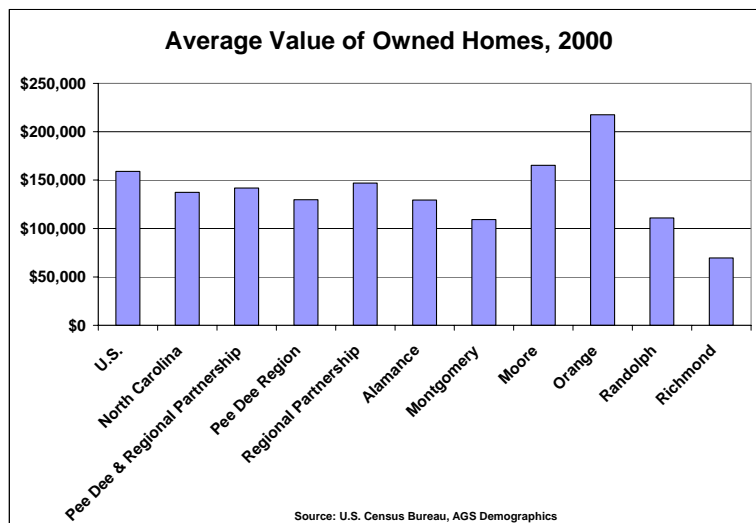
POPULATION GROWTH

The state of North Carolina is growing at a faster pace than the nation, and similarly, many regions and counties are experiencing a population boom. Specifically, the Regional Partnership outpaces all comparison areas in both current and projected data; by 2002, Regional Partnership was almost 26% larger than it was in 1990 and it is projected to grow by another 18% by 2011. While the population increase has positive implications, especially for increasing the labor market pool, they also tend to put stress on existing infrastructure like social services, and education.



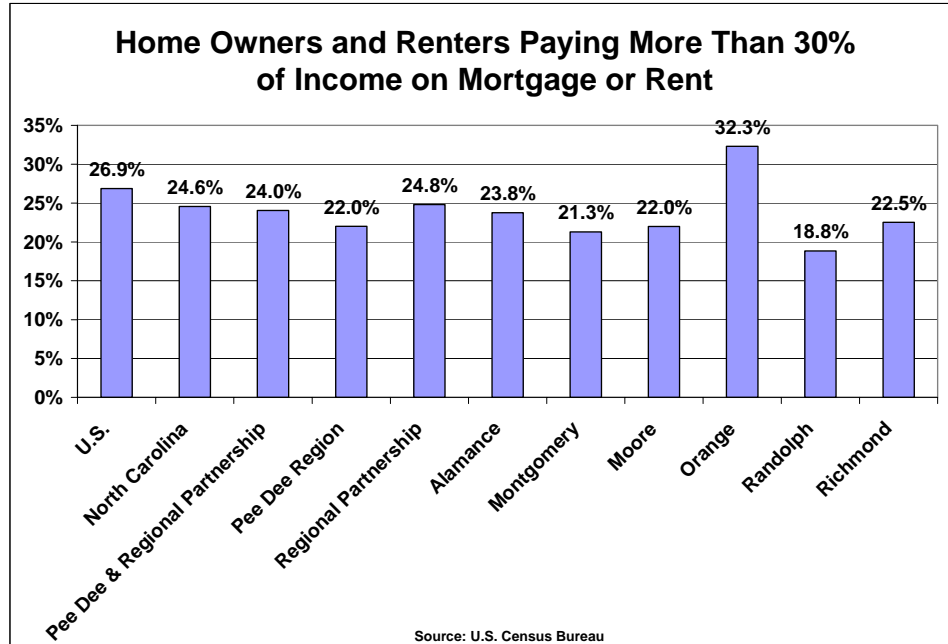
AFFORDABLE HOUSING

The average value of owned homes in two of the three Regional Partnership counties is lower than average values in the U.S. and North Carolina. But the average value of owned homes in Orange County is more than \$80,000 higher than the state and nearly \$60,000 higher than the national average. While Orange County has the smallest population among the three in the Regional Partnership, it also has the highest growth rate. With a growing population adding over 2,500 residents annually, affordable housing in Orange County may soon become a larger problem.



Keeping the college educated students in the area will place demand not only on economic infrastructure, but on housing availability as well. While students consider moving from rental units in the region (highest rate of renters as well as the least affordable renting costs)¹² to home ownership, affordable housing will play a significant role in that decision.

¹² Often seen in regions with high concentration of 4-year universities, the affordable rental properties is based on percent of renters paying more than one third of income on rent costs.



The concentration of post-secondary schools, high employment in professional and business services, and proximity to major metro areas is creating a bedroom community effect in the region as well. Stress on the transportation system, and affordable housing are just two of the issues facing areas that are considered bedroom communities.

ENCOURAGE COLLEGE GRADUATES TO STAY

Regional Partnership has a high concentration of well-educated young professionals, and will continue to produce high skilled and educated workers. However, encouraging new graduates to stay remains a major challenge. The strong post-secondary institutions in the region are an attraction for the youth across North Carolina. With the connection to the Research Triangle, Regional Partnership is positioned to retain college graduates and attract other firms wanting to utilize the highly educated workforce. The region must emphasize both the positive economic trends and the quality of life to keep and attract workers as well as recent and future college graduates.

Recommendations for First Steps

This Report is intended to describe the current conditions; it is also designed to advocate specific policy recommendations. In the coming months, the Pee Dee and Regional Partnership Workforce Boards plan to engage employers, educators, stakeholders, and others with an interest in improving the region's economic vitality. This work will include many people and leadership groups across the regions to help define the activity necessary to address the workforce issues identified by this research.

This Report has identified several broad strategic opportunities to be considered by regional leaders in the course of framing the action plan:

- **Development of a regional comprehensive literacy initiative.** If illiteracy were a virus, it would already be a pandemic in the regions. This problem is the biggest obstacle to achieving a *competitive workforce advantage*. Responding to it will require a strategy that focuses on making the connection between the problem of illiteracy and citizens' everyday lives. The objective would be to encourage people to identify literacy opportunities for their existing philanthropic projects, and to ask people to give time and dollars to help strengthen established literacy programs for adults and children. Any campaign must be a comprehensive effort that encompasses the full developmental range from birth to adulthood as intervention at all levels is a critical priority.
- **Develop a Regional Communications Plan.** For a fully integrated systematic approach to the challenges facing the regions, it is critical to develop a communications strategy that keeps the stakeholders and the community continuously connected on issues of workforce challenges and potential solutions. Community buy-in to a preferred vision will be the catalyst for action.
- **Sell the region to employers based on its strong workforce and commitment to keep it that way.** The field of economic development is changing rapidly, and economic developers need marketing information to demonstrate to existing and prospective employers that this is a good region for doing business. One of the most powerful marketing tools that economic developers can focus on is how the region has a strong workforce and constantly strives for improvement. The region is endowed with very active community economic development organizations and professional economic developers. They are well positioned to market the region based on its labor force competitiveness.

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- **Use the State of the Workforce Report** and supporting data to put timely information about labor market choices in the hands of students, parents, educators, businesses, labor, and other decision-makers. This report is a first attempt to transform labor market information into understandable, easy-to-read information that may be used to make career, education, and training decisions on a continuing basis. Regular updates will be crucial to keeping it current and relevant. In addition, given the gaps and time delays in published federal labor market information, locally generated original research would be very valuable. For example, leaders of the regions should consider complementing this data with a statistically sampled survey of human resource professionals across the region on at least an annual basis. Information would cover such matters as jobs openings, emerging career opportunities, anticipating retirements by occupation, and changing skill expectations of employers.
 - **Develop a branding campaign.** The word campaign means different things to different people. In this context, it is intended as a long-term, systemic process that induces a change in behavior and perceptions. A branding campaign, therefore, needs to be one that takes a systemic approach to identifying the current state and preferred future for the area. It then involves designing and promoting this message and vision throughout the regions.
 - **Align workforce, economic, and education policies and systems.** Workforce development is at the center of this nexus – making sure that companies have the skilled workforce they need to grow and prosper while ensuring the education and training community are preparing appropriately skilled graduates for the industries and occupations in-demand. Workforce, economic development and education leaders should work together to align strategies and programs and better understand the worlds in which they all work. The goal should be to identify quick wins in working together, and to engage in action planning and continuous dialogue.
 - **Promote entrepreneurial activity.** This can be an anecdote to the larger regional, national, and global forces affecting the regions' well being. As a nation and as a community, we need to spend less time worrying about jobs lost and more time focusing on ingenuity and innovation, and creating new services, markets, and products. A systemic approach to creating entrepreneurs from the secondary, post-secondary, and public arenas will help drive this shift.
 - **Pursue a sector-based strategy** to bring together multiple, similar businesses with a common interest in growing together. Sector based strategies have proven invaluable in several areas of the country and are gaining in popularity. There are many benefits to sector based strategies

for both employers and the labor force (alignment of education and skills demanded by employers and more job opportunities for the labor force). This report mentioned five sectors that can be targeted for such a strategy. Dialogue should continue as to whether these are the right choices for long-term focus, or merely reflective of the current labor market composition. Perhaps the areas might choose to pursue growth in the pharmaceutical sector by targeting some of the larger companies connected to the Research Triangle.

➤ **Put the “customer” back into the (customer) service economy.**

There is universal recognition that we have transitioned from a production-based economy to a service-based economy. Yet, *customer service* continues to be one of the missing skill sets across the board. Employer focus group participants for this study identified a critical gap between the need for customer service skills and the preparedness of the workforce in customer service. Anecdotally, in forums and summits conducted by CSW across the country, most people agree that poor customer service is epidemic. What can be done about this? Integrating customer service into the core curriculum in high school and technical colleges would be a great start.

➤ **Increase career awareness and career preparation** by having discussions with the education and training community as well as parents and students about the in-demand occupations in the workplace and the true value of associate degrees, bachelor’s degrees, and industry and occupation-specific certification into today’s labor market. According to estimates by the U.S. Bureau of Labor Statistics, about 70% of all jobs in the coming decade will not require a bachelor’s degree. The best opportunities for job growth are in the “academic middle” including a mix of occupation-specific certifications. Further focus should be placed on: identifying students most likely to succeed in 4 year academic settings; promoting career guidance and expanding the number of guidance counselors available to students; incorporating career and occupational knowledge into curriculum standards and testing; improving and expanding schools’ communication with parents and the community about career options and opportunities; and helping students make well-informed career decisions through increased career awareness.

➤ **Turn economic trends at the global and local levels into training opportunities** for the workforce and economic development system and education and training partners. Despite trends that show employers moving more and more training in-house and using vendor-specific training, there are opportunities inherent in the economic forces of the day and into the future. For example, the diversification of the population leads to a need to increase diversity training and offer more foreign

language training. Trends towards environmentally friendly industries and employers offer an opportunity for training in sustainability and quality assurance processes regarding the environment. And the rising concern with security at a variety of levels offers an opportunity to provide training for information security specialists, security officers, and new technologies and services to combat various types of security risks and threats.

- **Integrate and expand educational opportunities in diversified industry.** Leaders of the region should spend considerable time designing and implementing a world-class Career and Technical Education (CTE) system that is equal in quality and perception to the academic track already available. Education will respond if businesses make their needs known. Such a system will need strong industry and community support and should be grounded in the mastery of skills that can be credentialed.
- **Encourage and support the upgrading of skills of the incumbent workforce.** The data and interview results for this report make it clear that leading firms in the region value and use higher order skills in their workplaces. One approach to supporting these values is to focus strategically on how to increase the critical skills needed by workers in high skilled work settings. Upgrading strategies can take many forms, including industry skill alliances spanning multiple firms, building career pipelines within or across industries, and organizing innovative financing mechanisms to encourage skill upgrading.
- **Work closely with high growth firms to understand their needs for workforce solutions to support continuing growth.** Staying in regular contact with leading employers and their peers is a good way to ensure that the region's workforce policy initiatives are grounded in issues central to the growth of firms that value and use skills and knowledge. This concept applies whether focused on advanced manufacturing, or on other growth areas.

Consequences We Face if We Adopt a “No Action” Strategy

The need for action is clear if we look at the consequences the regions might face if we do not begin to change our current workforce and economic landscape:

- **We will not have a prosperous economy and thriving communities** if a large portion of our population does not have basic reading and writing skills.
- There is a **risk of significant labor shortages** if we do not attract and retain a skilled workforce.
- **Poverty will continue** to have adverse influences on educational attainment, quality of life, the health of our citizens, the health of our economy, and the viability of our communities.
- We will continue to **have difficulty attracting diverse high wage/high growth employers**.
- We will continue to **lose our existing industries** to other states and localities.
- We will continue to **lose talented young people** with leadership potential that the region will need in the future.
- Our **public schools will not improve** and the students in those schools will suffer.

RECOMMENDATIONS FOR NEXT STEPS

Communities that have made progress in coordinating economic, education, and workforce development activities have tended to share some common essential characteristics. These characteristics provide a useful framework for planning by the regions’ public and private sectors.

- **There is a high degree of coordination among the agencies and organizations responsible for economic and workforce development activities.** Agencies and organizations responsible for economic and workforce development activities, including human service agencies, have developed common objectives and strategic plans. The objectives and strategic plans specify how activities of each agency or organization will be mutually complementary.

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- **The business community endorses and participates in coordination.** The coordinated efforts of economic, workforce, and human service activities are responsive to and valued by the business community. Successful initiatives are consistently responsive to the needs of businesses, although the initiatives are not necessarily business-led.
 - **The political will to make hard decisions is evident.** The type and degree of restructuring necessary to build a system that aligns economic and workforce development activities is often disruptive to the status quo. In nearly every community attempting restructure, initiatives have succeeded in large part because community leaders had the political will to push for change.
 - **Coordination efforts involve a broad range of industries.** Often, one objective of aligning publicly funded workforce development with the private-sector objectives of economic development is to address issues related to urban and rural poverty. Successful initiatives target economic development recruitment in a broad range, both urban and rural, so the regional economy can better provide jobs at a variety of skill levels.

A Last Thought

To paraphrase a stakeholder, “All of the training and educational programs are of little value if the worker sees neither importance nor urgency in acquiring new skills. The tradition of low skill and good wage jobs is a strong lure, even though those jobs no longer exist to the extent they once did. A major attitude change is essential now, not a generation from now.”

Two essential goals must be achieved if the region is to succeed:

- 1. Provide employers with a capable workforce.** Educational attainment can be an indicator of competitive advantage. It can signal that an area has a workforce that will quickly adapt to new employment opportunities that bring new processes and demand new skills. Advanced production manufacturing requires high school education and/or training beyond high school, and R&D, high tech services, finance, and healthcare will require degrees and/or certifications.
- 2. Prepare adults and youth with the basic skills that are transferable across industries.** Reading comprehension, writing, and mathematics are skills often found as the most important skills for any occupation. The ability to gain employment and adapt to new employment opportunities comes from a proficiency in the basic skills required for almost all occupations.