



# Economic Summit

by **alamance** chamber™





Economic Summit  
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**Ted Abernathy**

**Managing Partner  
Economic Leadership, LLC**



# Framing The Global Trends That Are Changing North Carolina Communities and Challenging Leaders



**“The future is always here; it’s just not evenly distributed.”**

**William Gibson**

# Back to 2003

- LinkedIn (2003)
- Facebook (2004)
- YouTube (2005)
- Twitter (2006)
- iPhone (2007)**
- Fitbit (2007)
- Dropbox (2007)
- Airbnb (2008)
- Kickstarter (2009)
- Uber (2009)
- Snapchat (2011)

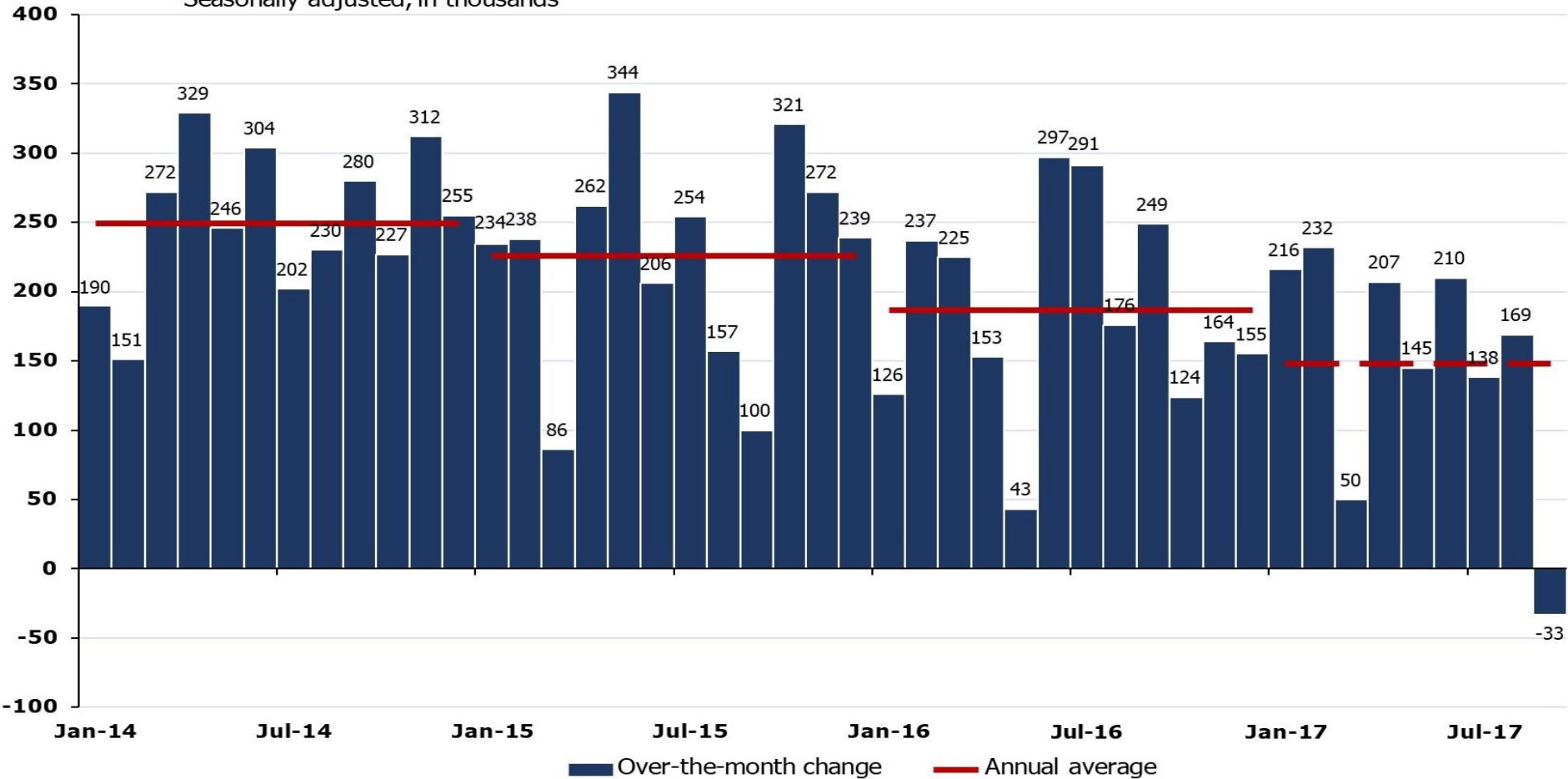


# Nonfarm Payroll Employment

## Employment in total nonfarm

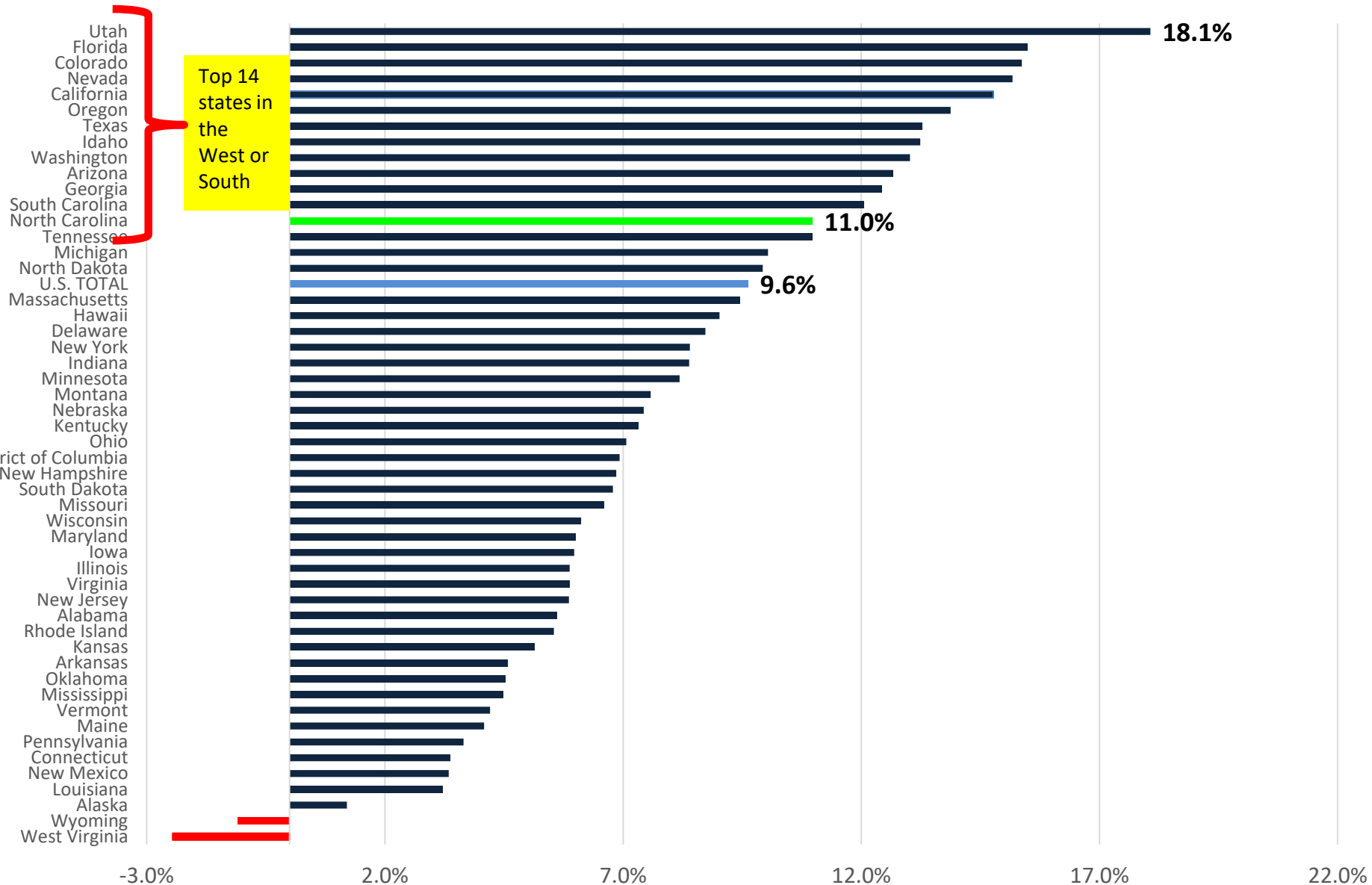
Over-the-month change, January 2014 - September 2017

Seasonally adjusted, in thousands



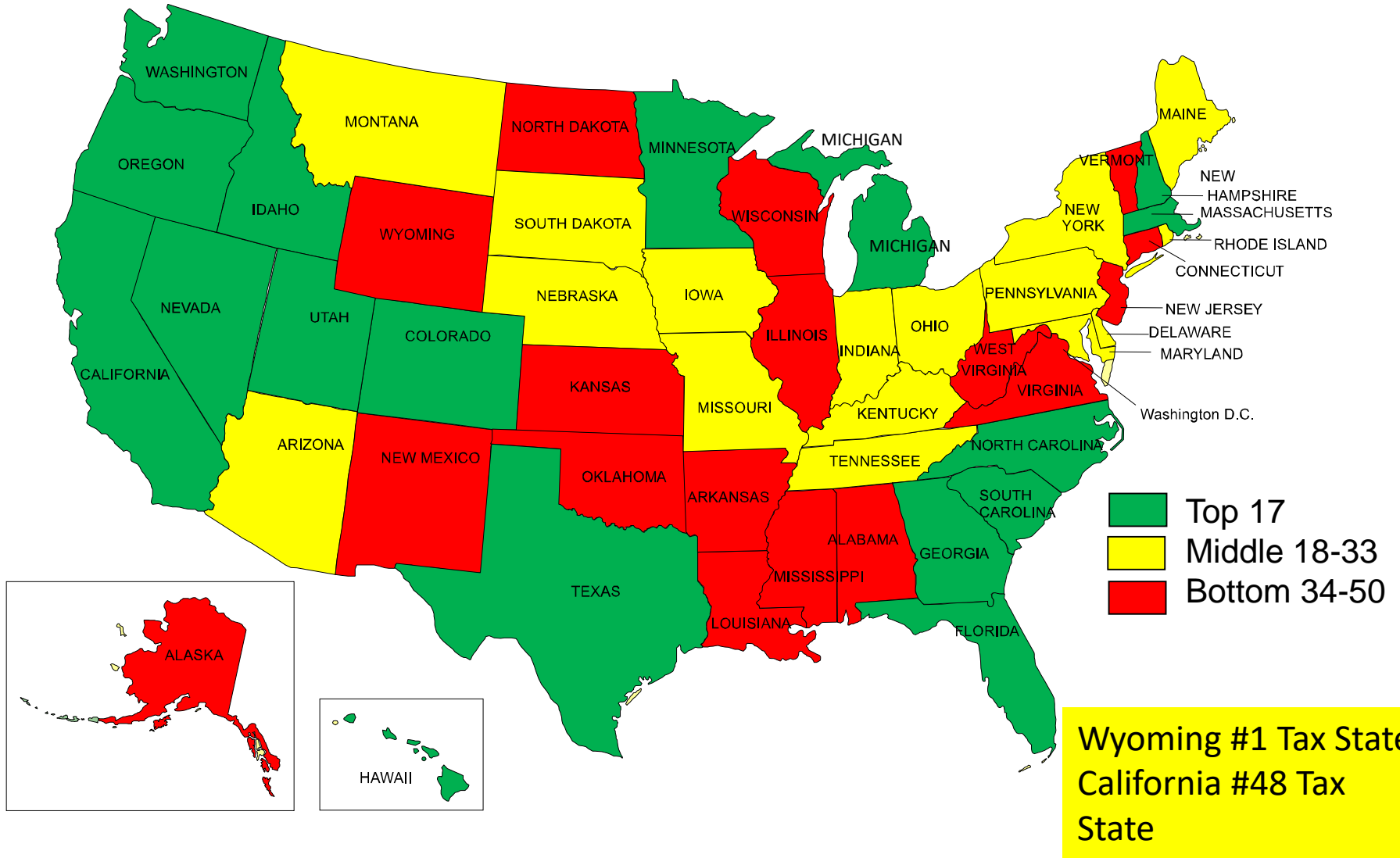
Bureau of Labor Statistics, Current Employment Statistics, October 06, 2017.  
Most recent 2 months of data are preliminary.

# Percentage Change in Jobs 2011 –2016 By State

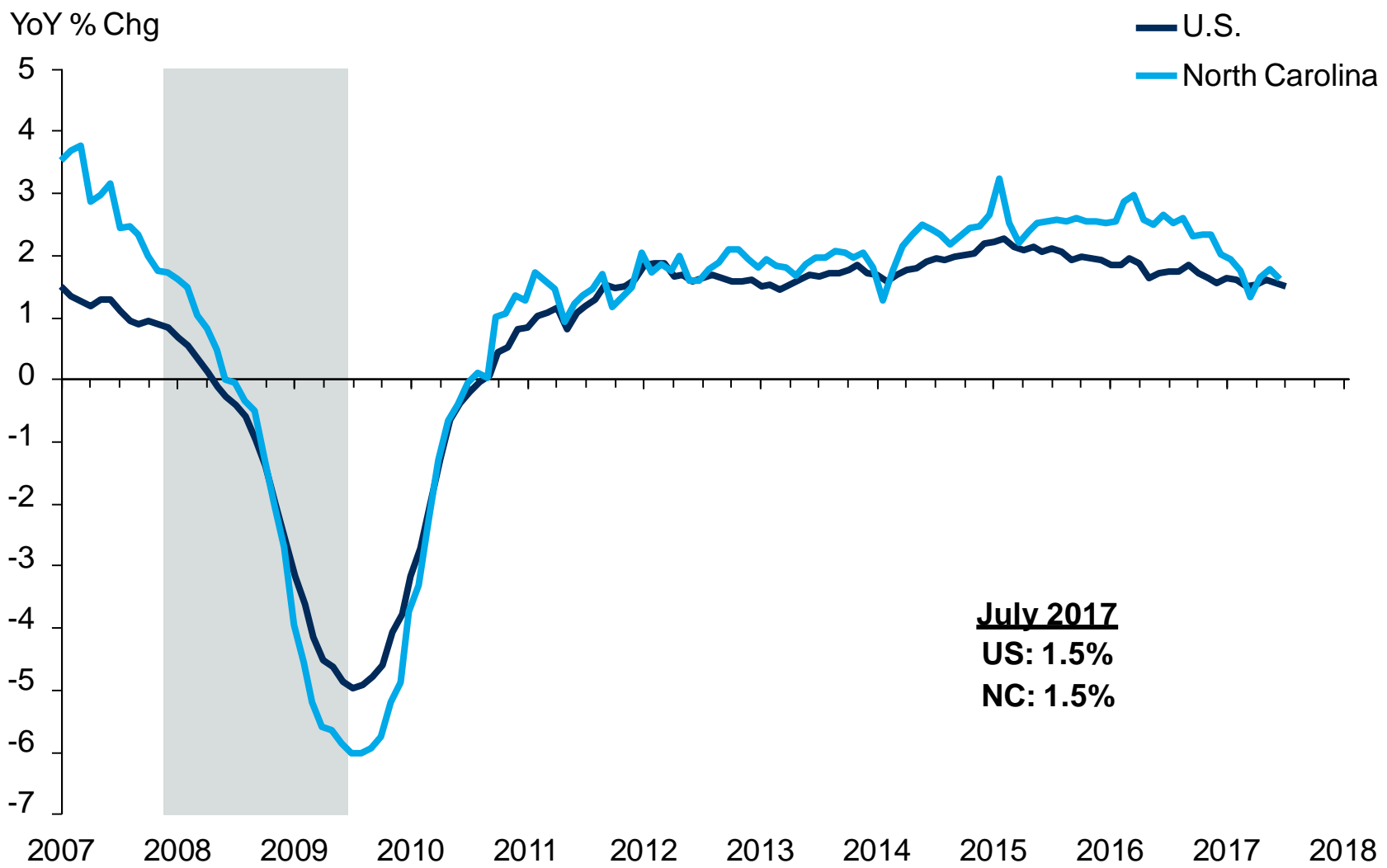


# Economic Performance 2013 – 2016

## Growth in Jobs - Wages - GDP



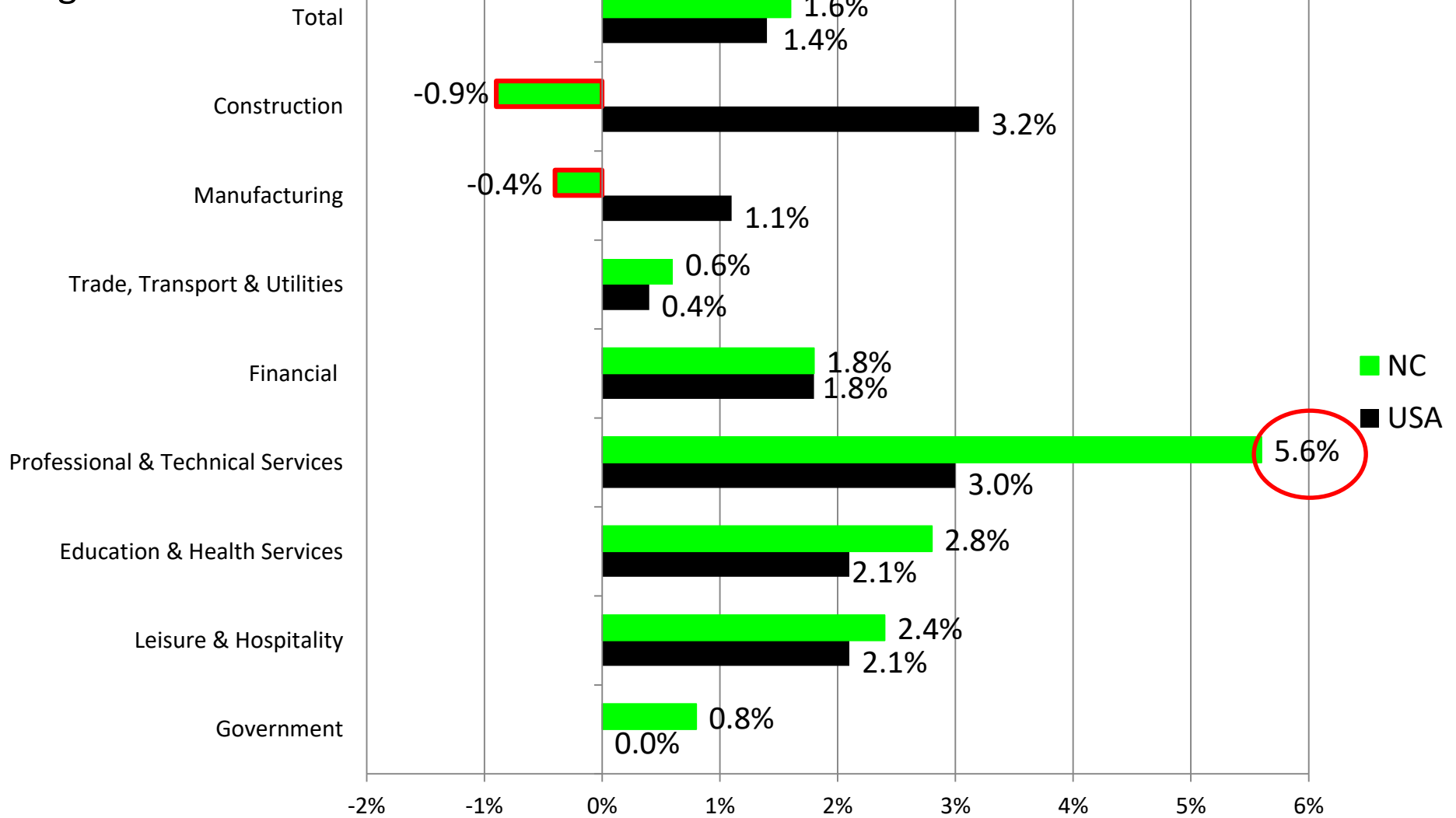
# North Carolina Payroll Employment<sup>8</sup>



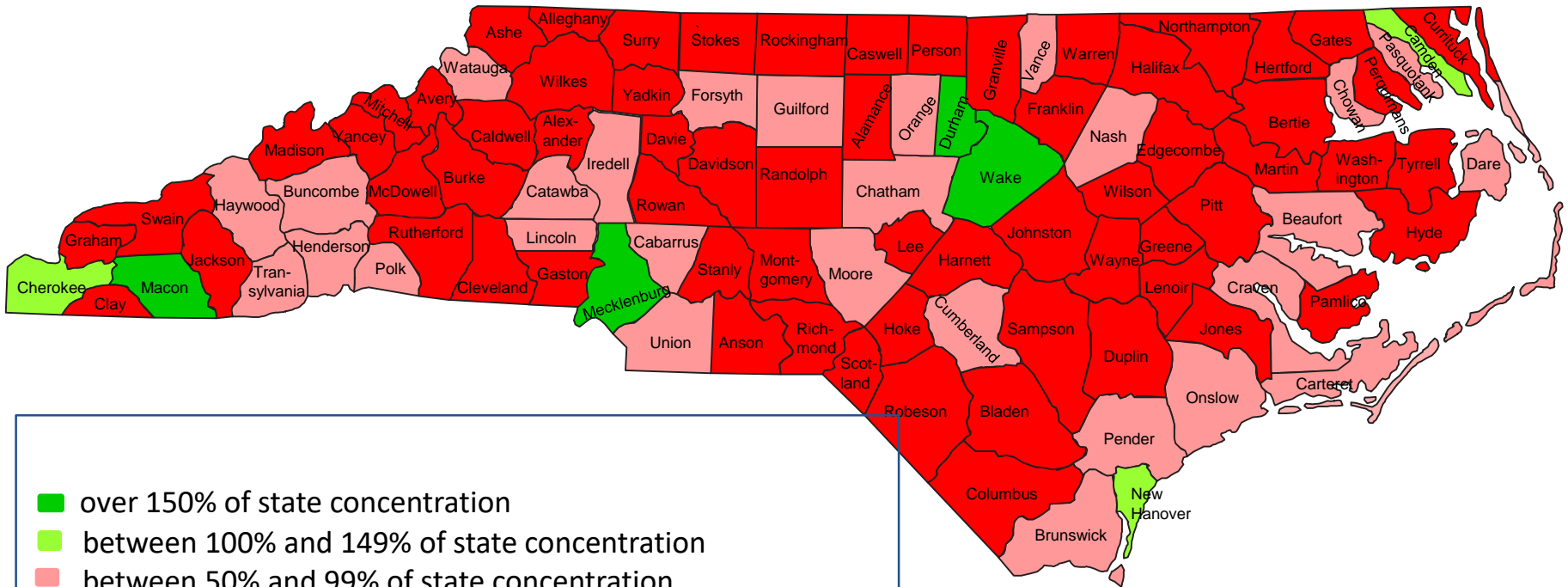


# Employment Gains By Sector for the United States and NC

August 2016-2017



# Concentration of County Jobs in Professional, Scientific and Technical Services



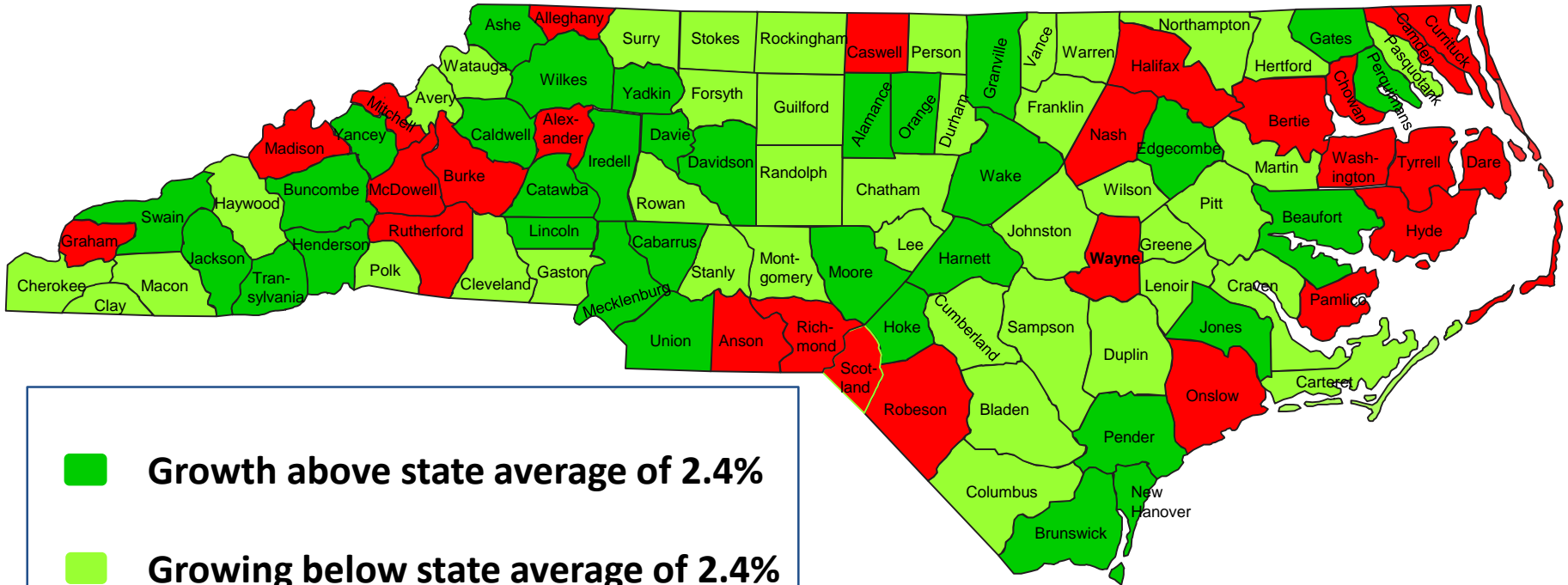
- over 150% of state concentration
- between 100% and 149% of state concentration
- between 50% and 99% of state concentration
- under 50% of state concentration




Professional, Scientific and Technical Services represents 4.93% of North Carolina jobs

# Job Growth is Distributed Across North Carolina

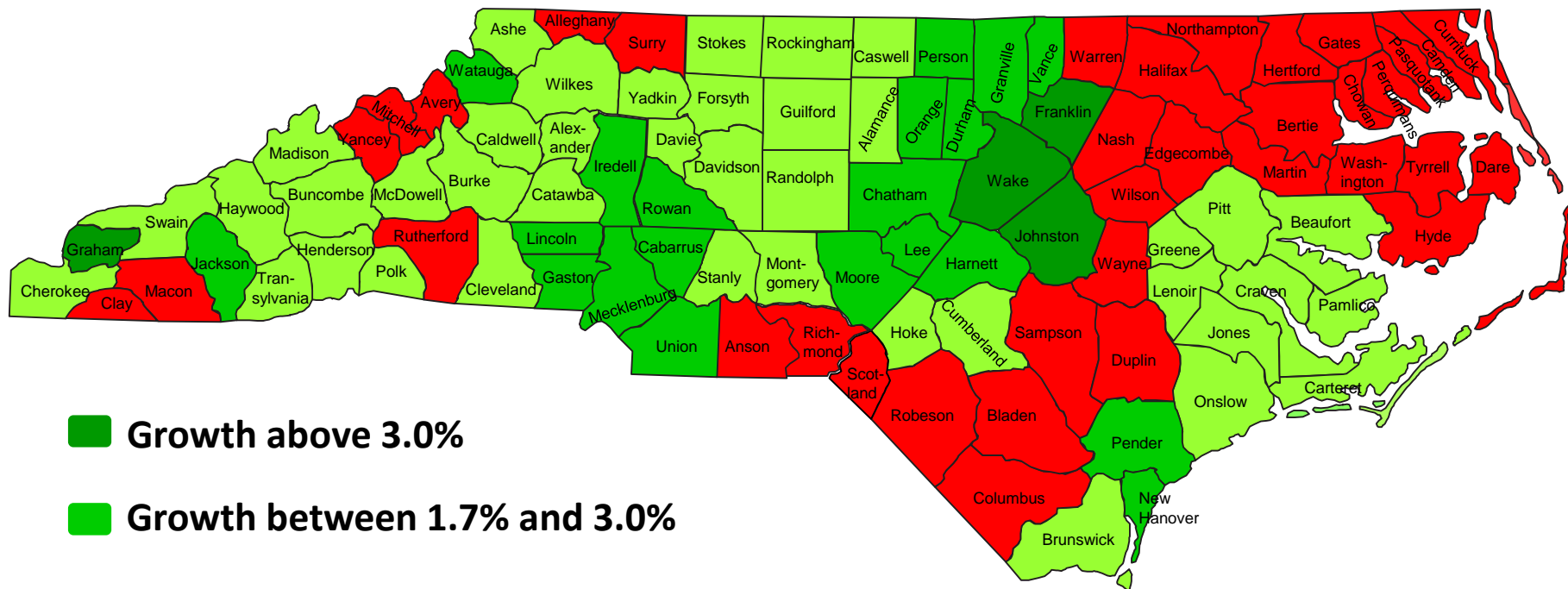
NC Change in Average Annual Number of Jobs - 2015 to 2016

North Carolina state average 2.4%



-  Growth above state average of 2.4%
-  Growing below state average of 2.4%
-  Losing Jobs

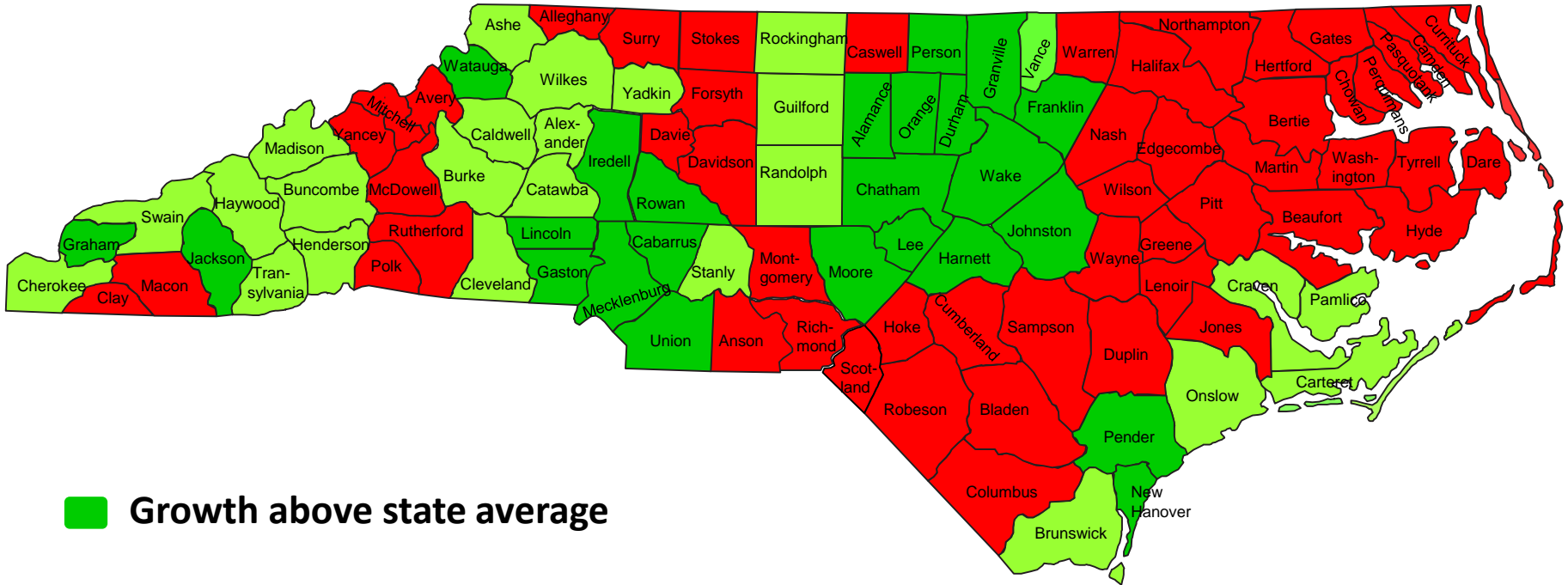
# CHANGE IN AVERAGE EMPLOYMENT (Where you Live) August 2016 to August 2017






- Growth above 3.0%
- Growth between 1.7% and 3.0%
- Growing between 0% and 1.6%
- Losing Jobs

North Carolina state average 1.6%

# CHANGE IN AVERAGE LABOR FORCE August 2016 to August 2017

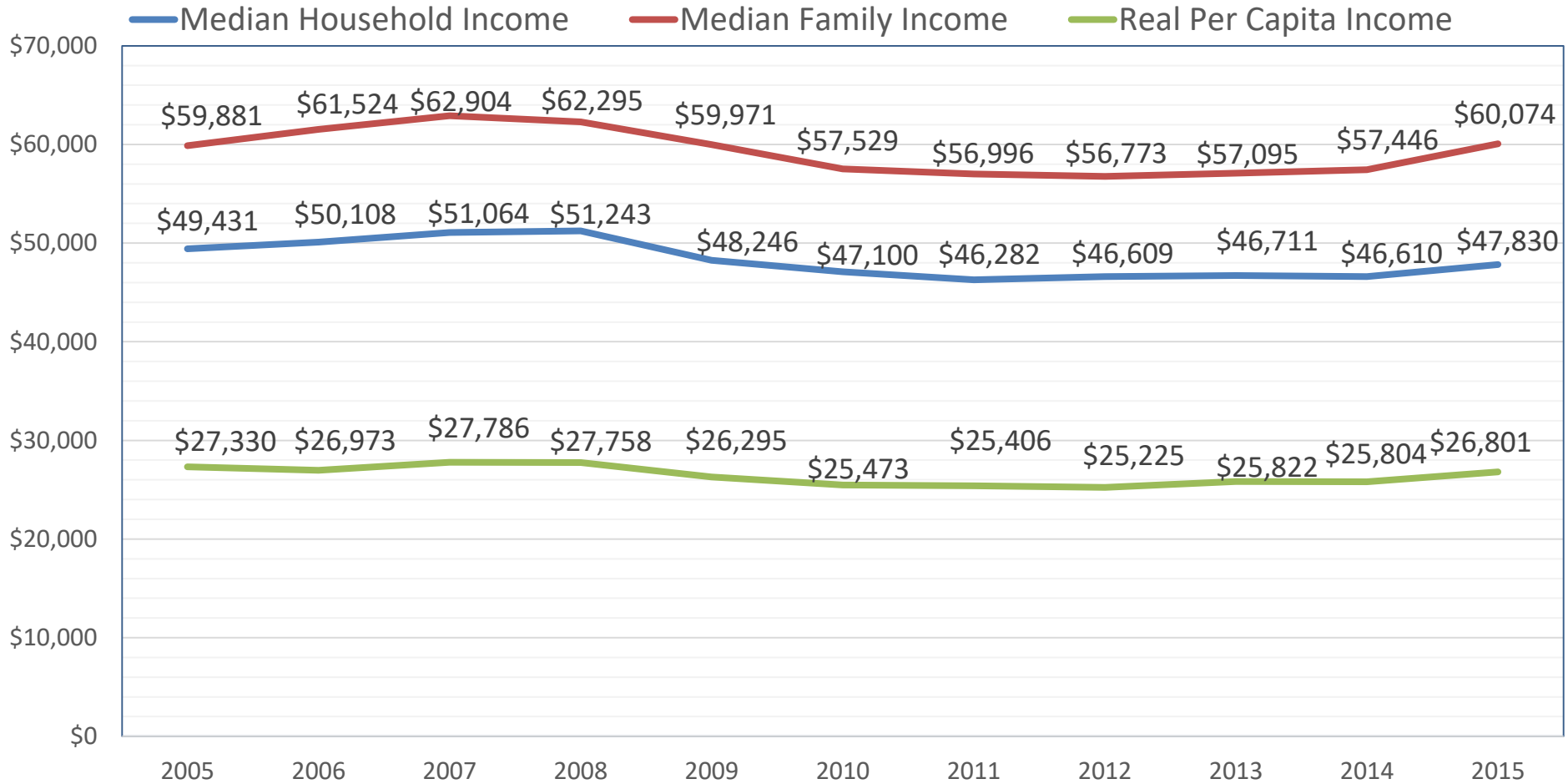


-  Growth above state average
-  Growing between 0% and 0.8%
-  Losing Labor Force

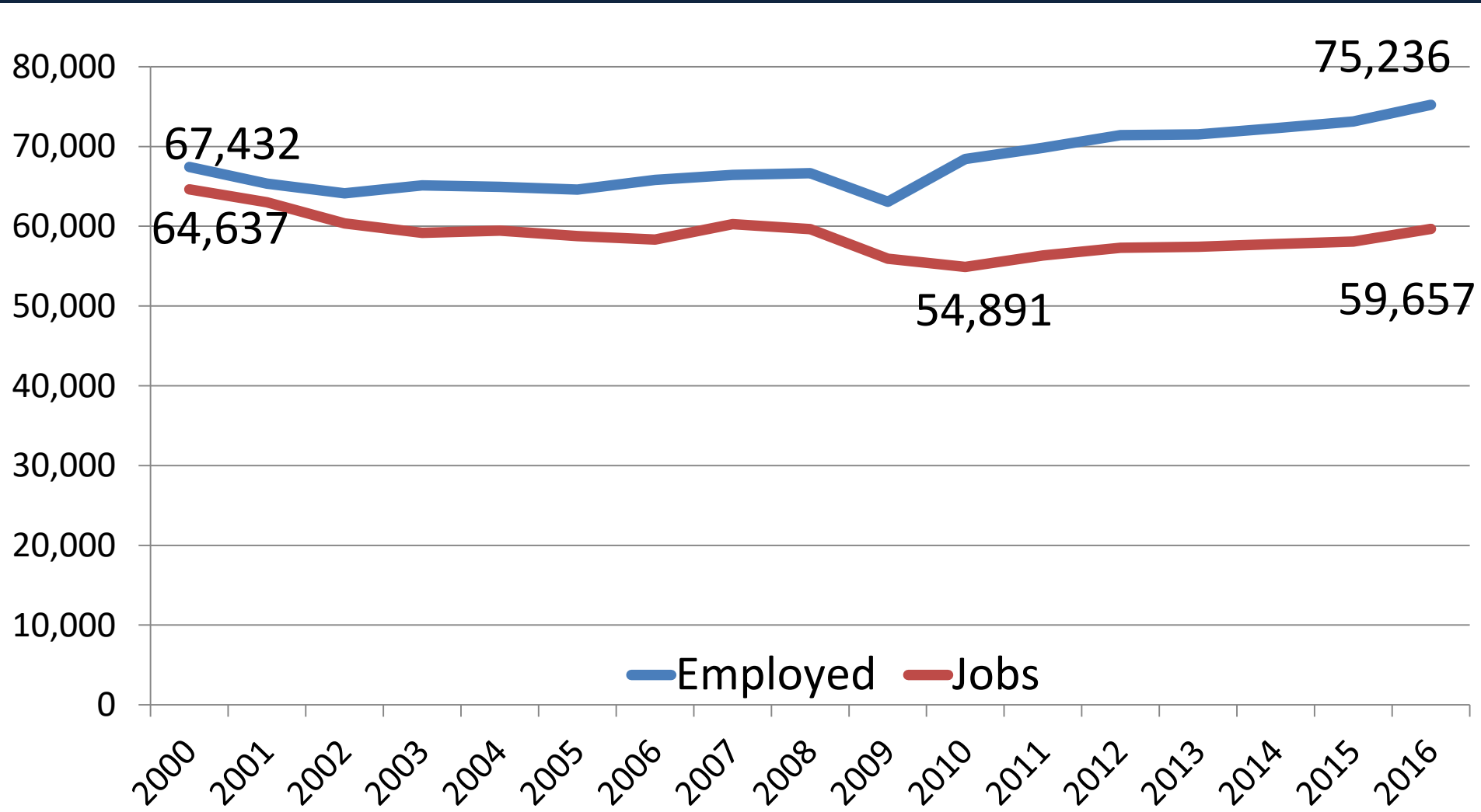
North Carolina state average 0.8%

# NC Income Trends 2005-2015

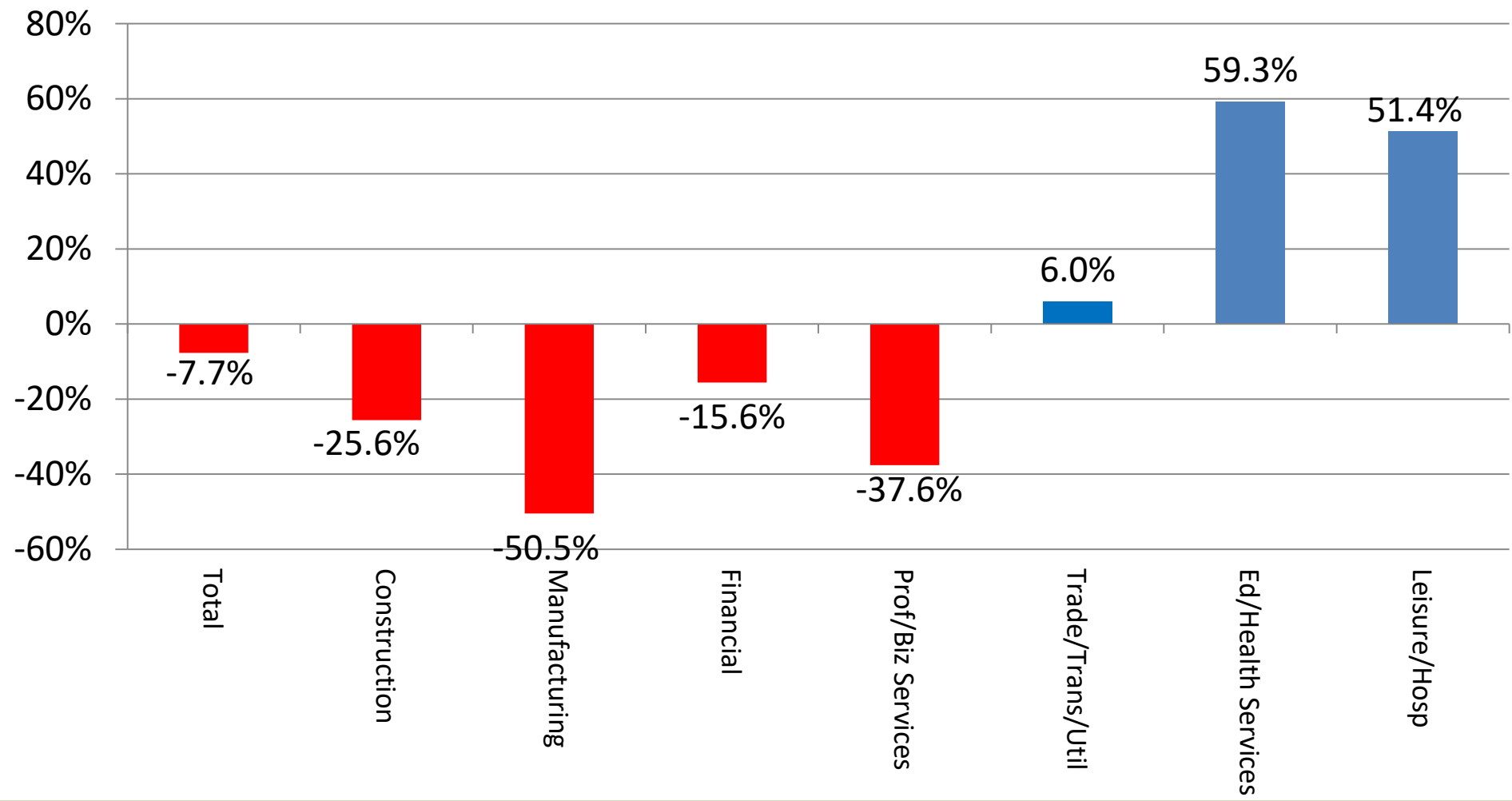
## NC Citizen Financial Gains



# Alamance County Employed & Jobs 1990-2016

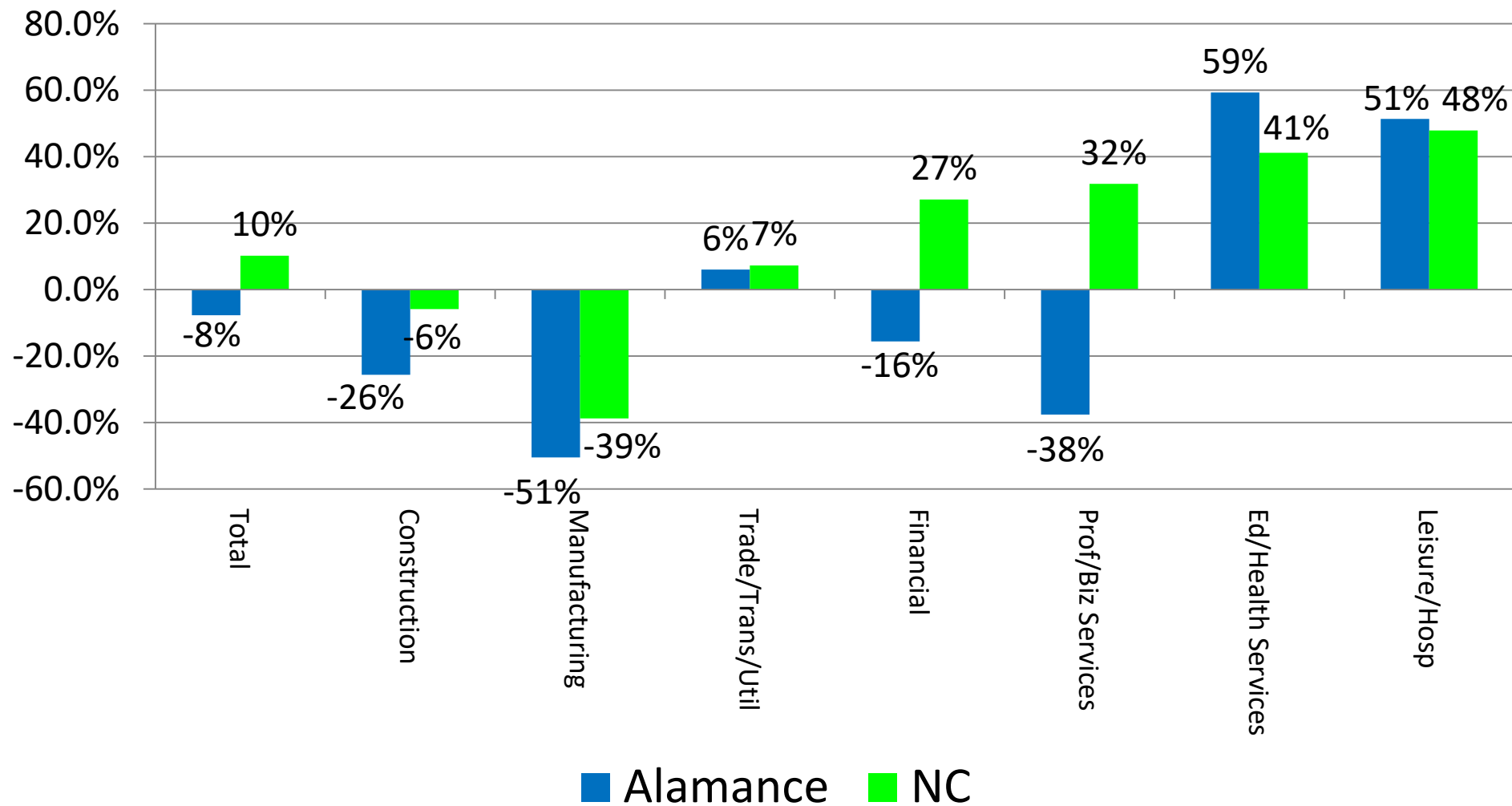


# Alamance Employment Change By Sector 2000-2016





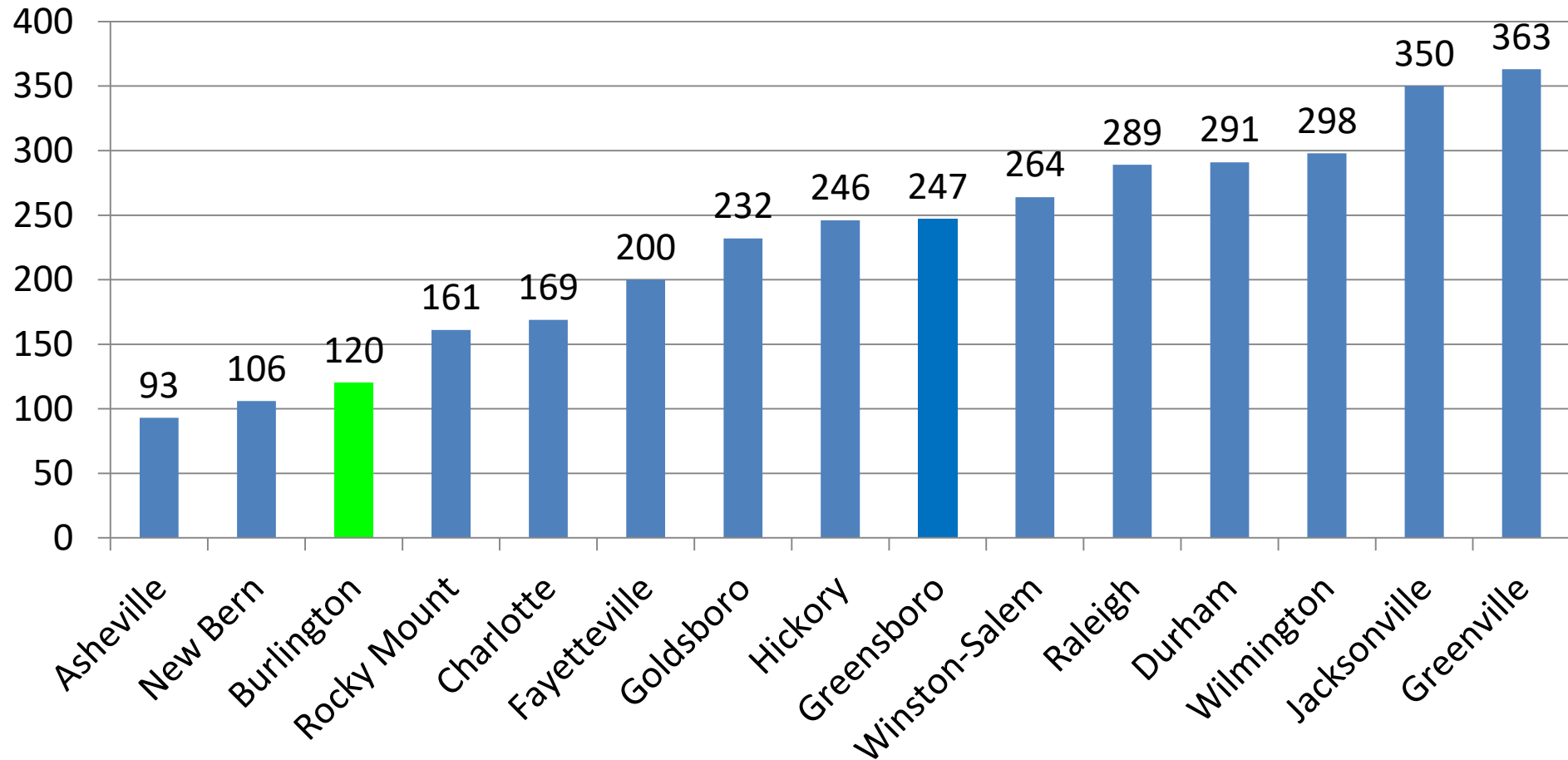
# % Employment Change By Sector 2000-2016



# Leading Locations for 2017-Earnings Growth

## 2011-2016 Change

### Overall Rank



# Top Factors for Companies Considering New Investment

- (1) Availability of skilled labor
- (2) Highway accessibility
- (3) Labor costs
- (3) Proximity to major markets
- (3) State & local incentives
- (3) Available land
- (3) Tax exemptions
- (8) Energy availability and costs
- (9) Proximity to suppliers
- (10) Training programs/Technical schools
- (11) Availability buildings
- (12) Accessibility to a major airport



2012

- 1) Highway Accessibility
- 2) Labor Cost
- 3) Avail. Skilled Labor
- 4) Corporate Tax Rate
- 5) Occupancy Costs
- 6) State/Local Incentives
- 7) Energy Avail./Cost
- 8) Tax Exemptions
- 9) Proximity to Markets
- 10) Low Union Profile

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2012

- 1) **Highway Accessibility**
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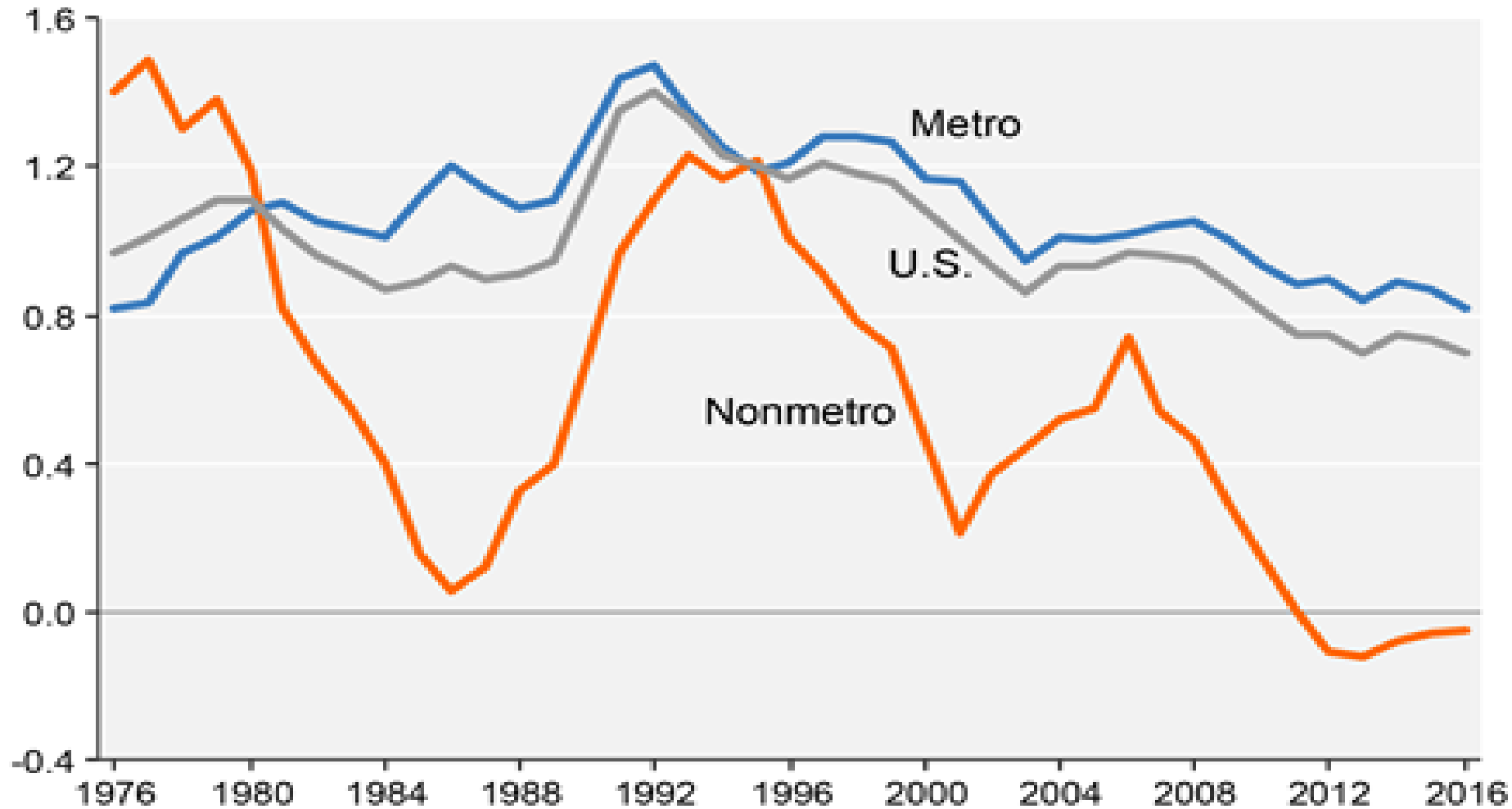


# The Urban-Rural Discussion



# Population change by metro/nonmetro status, 1976-2016

Percent change from previous year

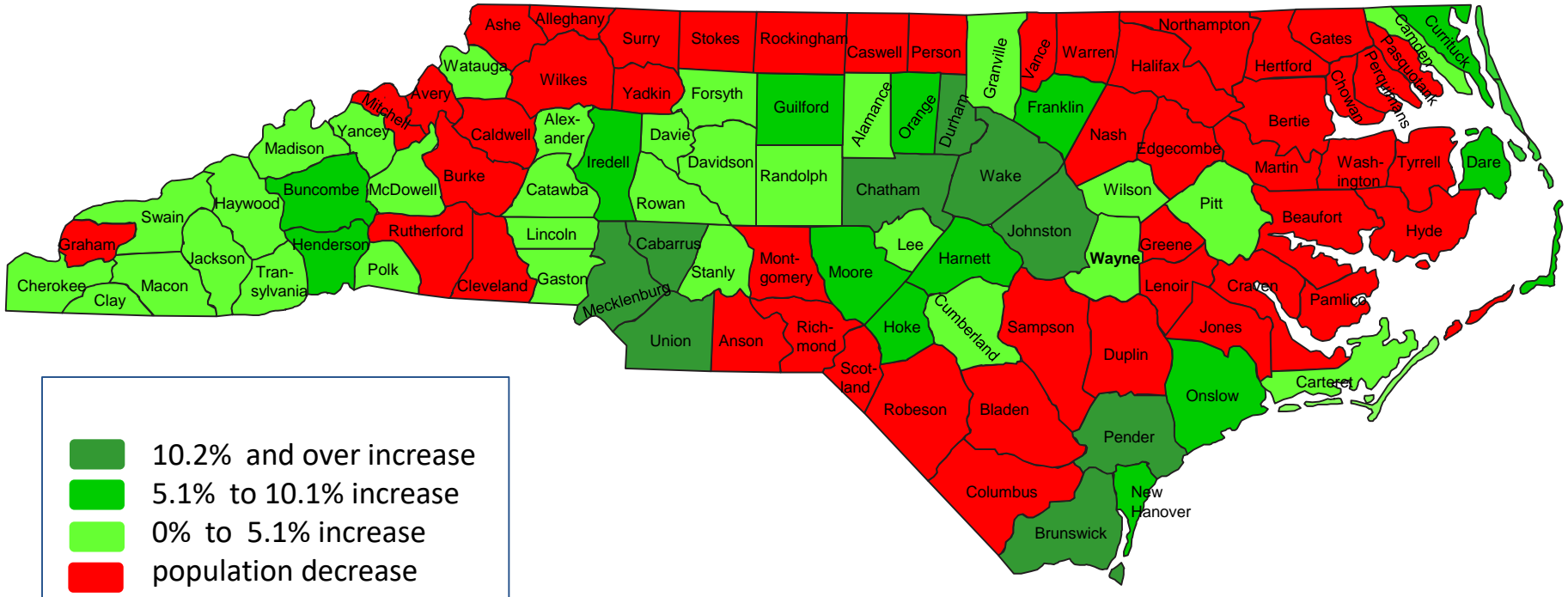


Source: USDA, Economic Research Service using data from the U.S. Census Bureau, county population estimates.

# Population Growth More Concentrated

NC Change in Population 2011 - 2016

North Carolina Average 5.1%

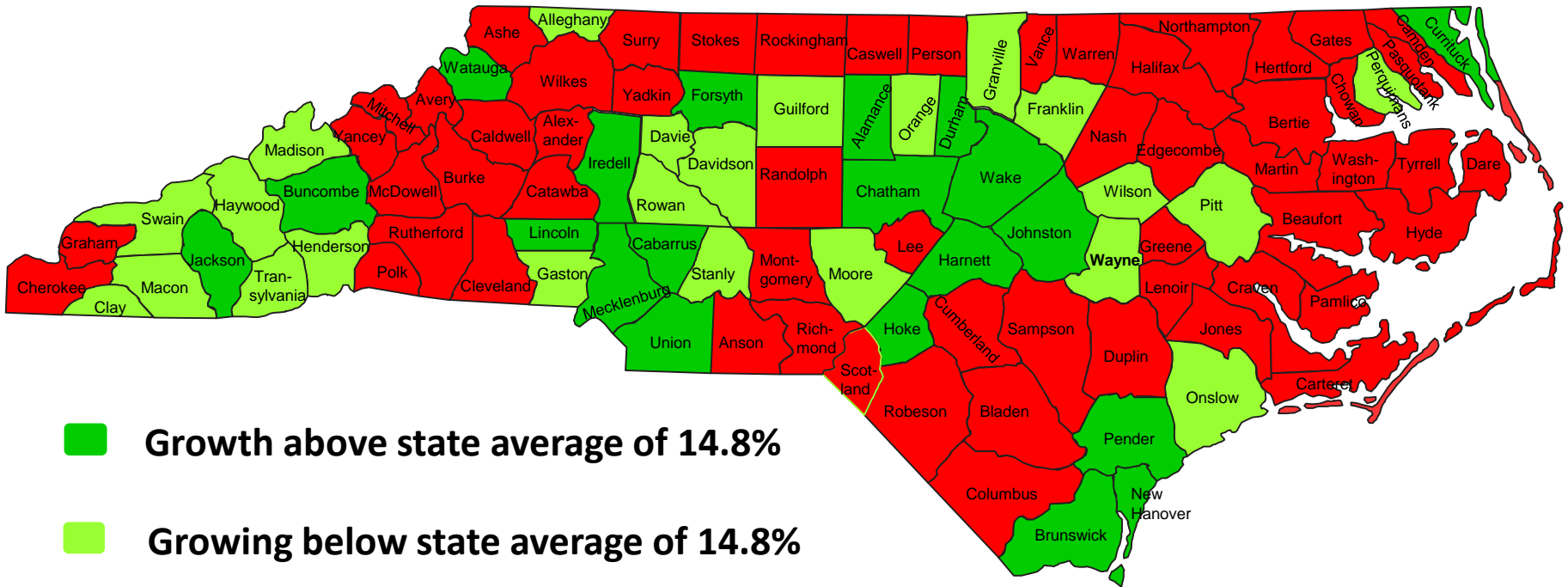


# PROJECTED CHANGE IN LABOR FORCE AGE POPULATION

Ages 25 – 64

2016 - 2036

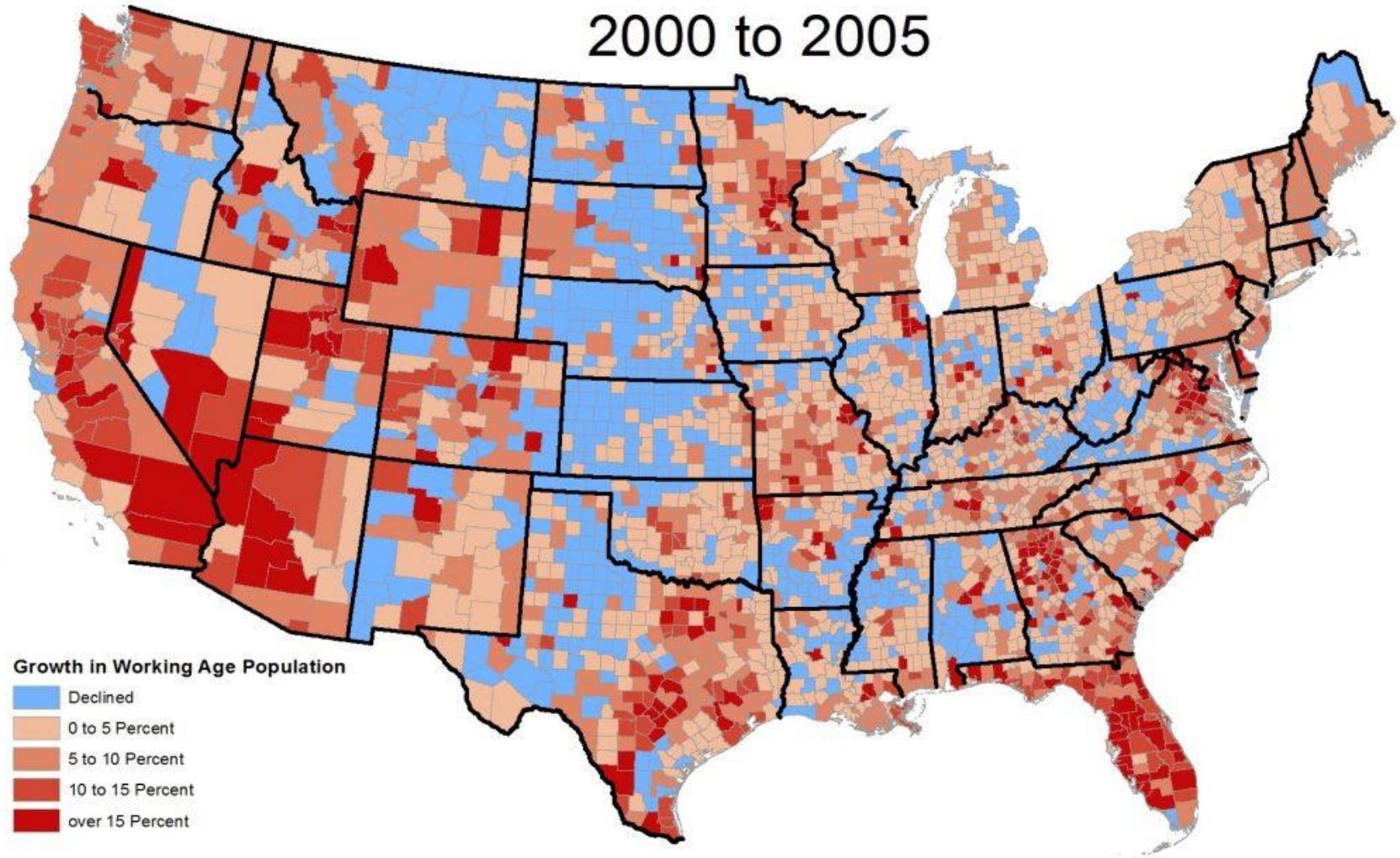
North Carolina state average 14.8%





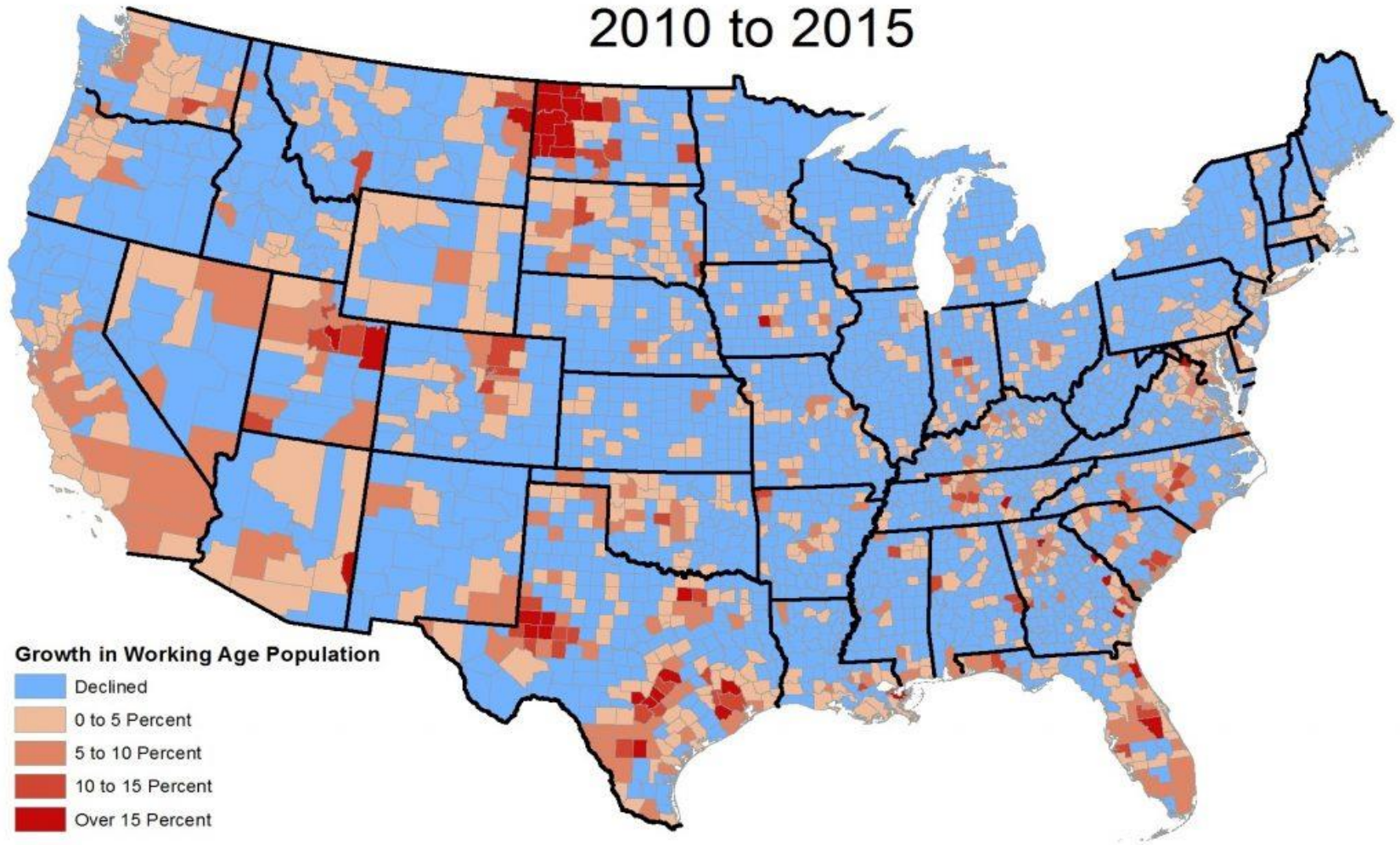
# Strong Workforce Growth Across the Country

2000 to 2005



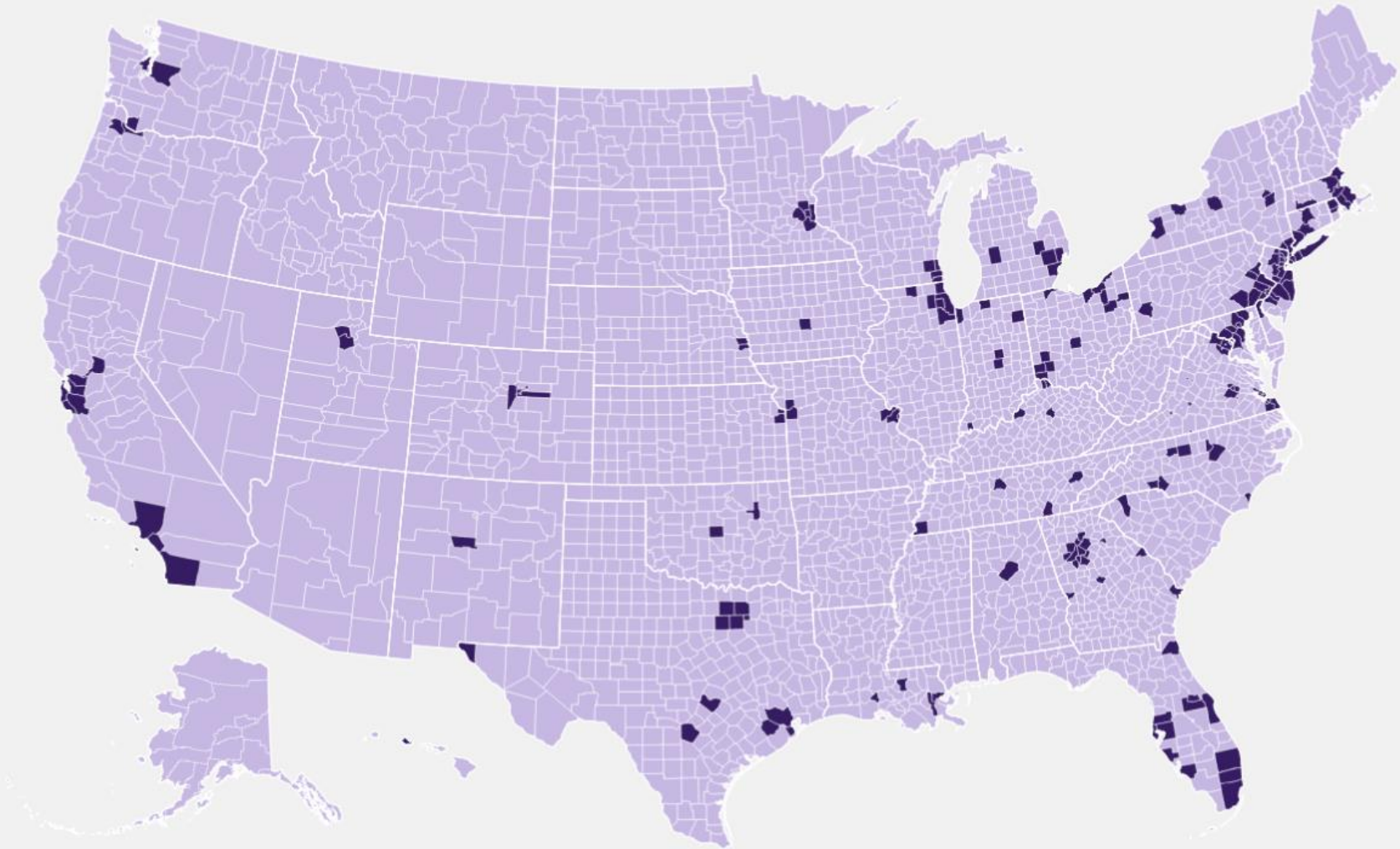
# Workforce Growth Concentrates

2010 to 2015





# HALF OF THE US POPULATION LIVES IN THE SHADED COUNTIES



SOURCE: US Census Bureau

BUSINESS INSIDER

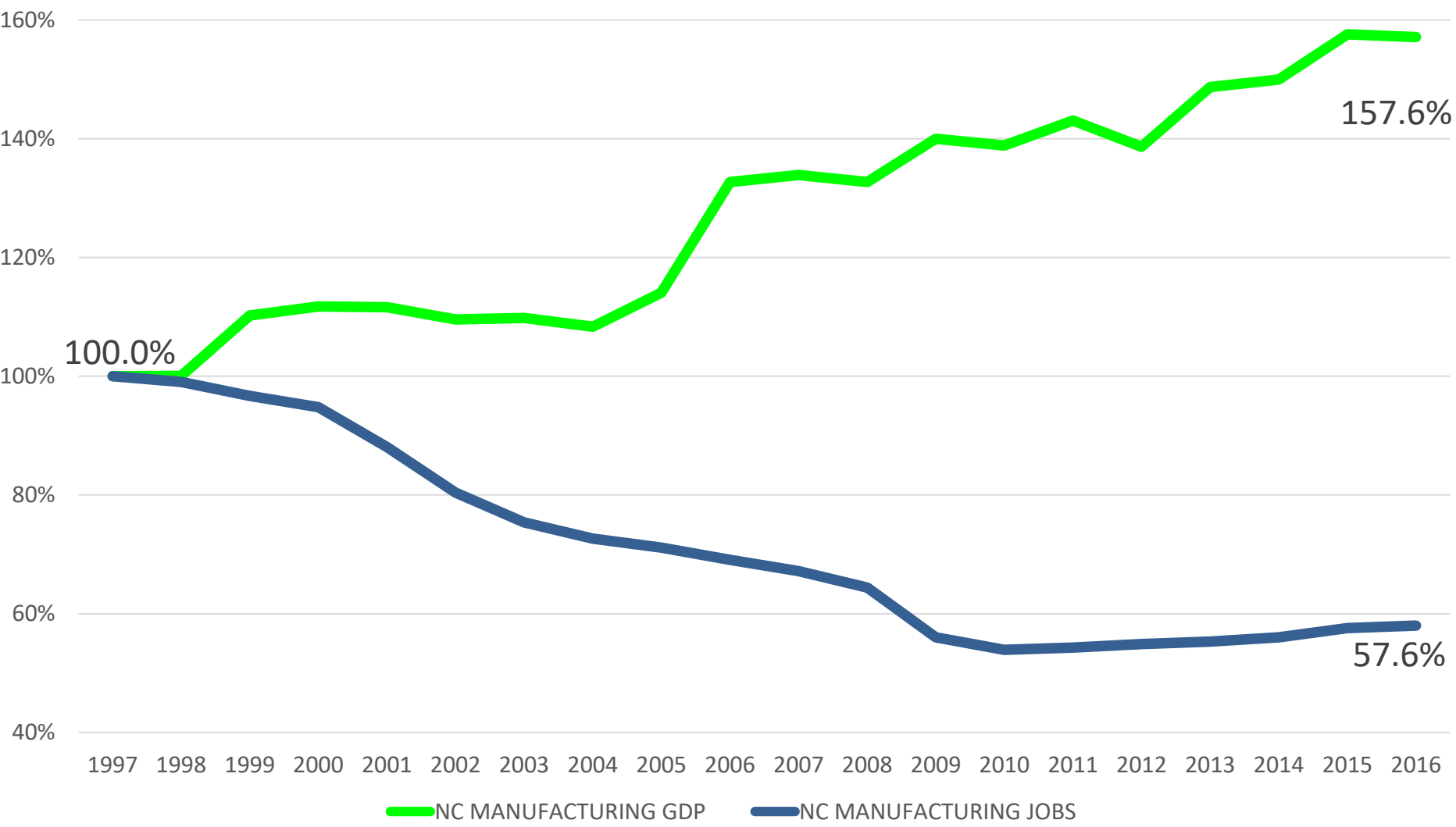


# Technology Employment Impacts



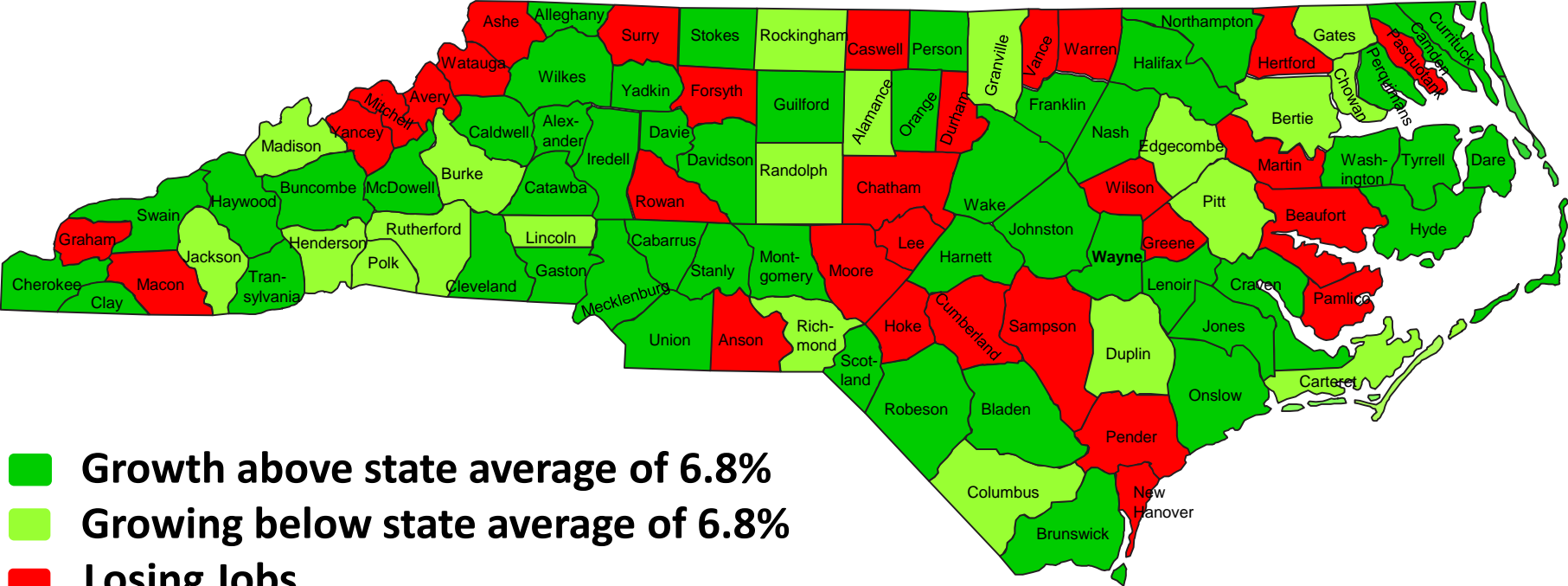
# North Carolina Manufacturing Jobs and Manufacturing GDP Growth

1997 – 2016 (normalized as percent of levels in 1997)



# Change in Manufacturing Jobs 2011 - 2016

## 5 Year North Carolina Average 6.8%





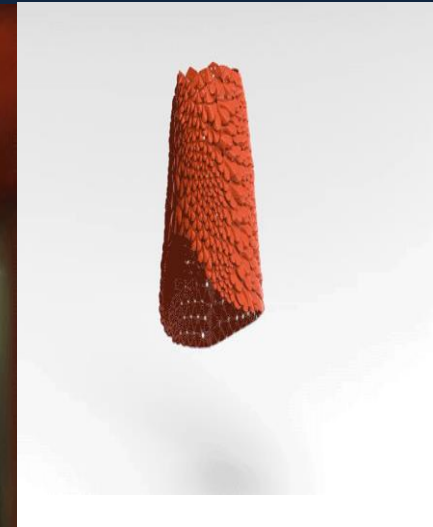
# The Next Big Things-Technological



Industry 4.0



3 & 4-D/Additive Manufacturing



Autonomous Vehicles







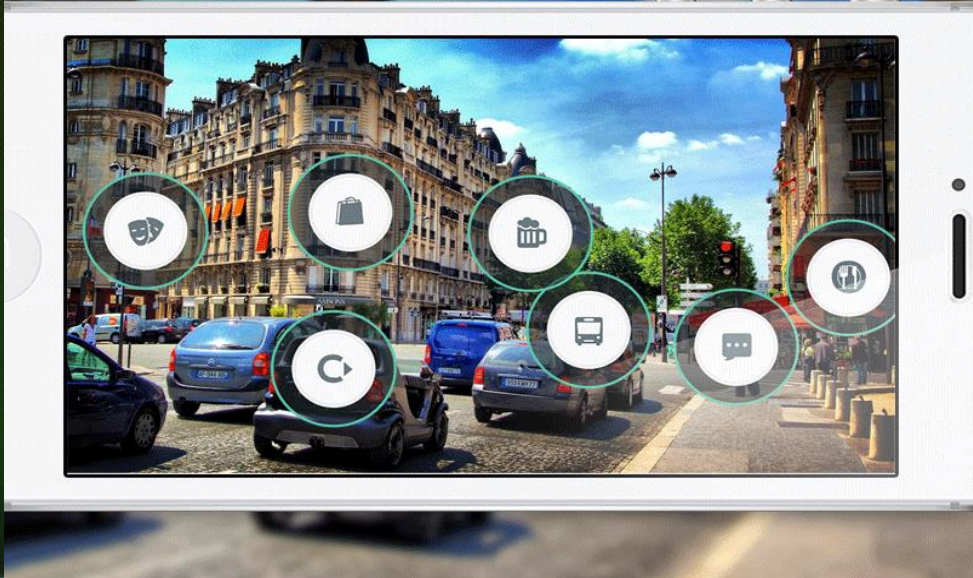
Robotic  
Dexterity



4GIFs  
COM



Embedded  
Technology

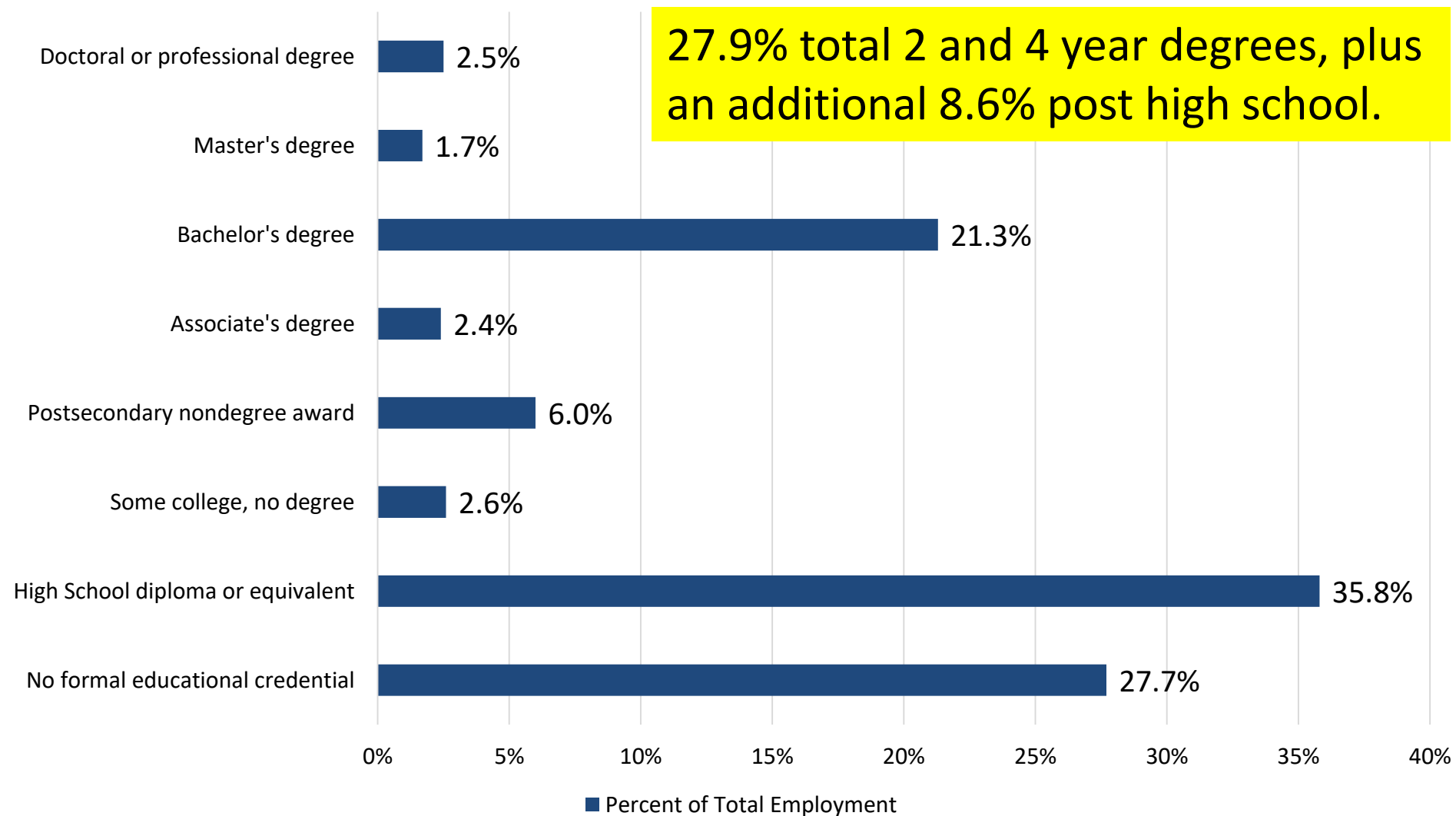




# The Bar Is Rising & There Is No Going Back

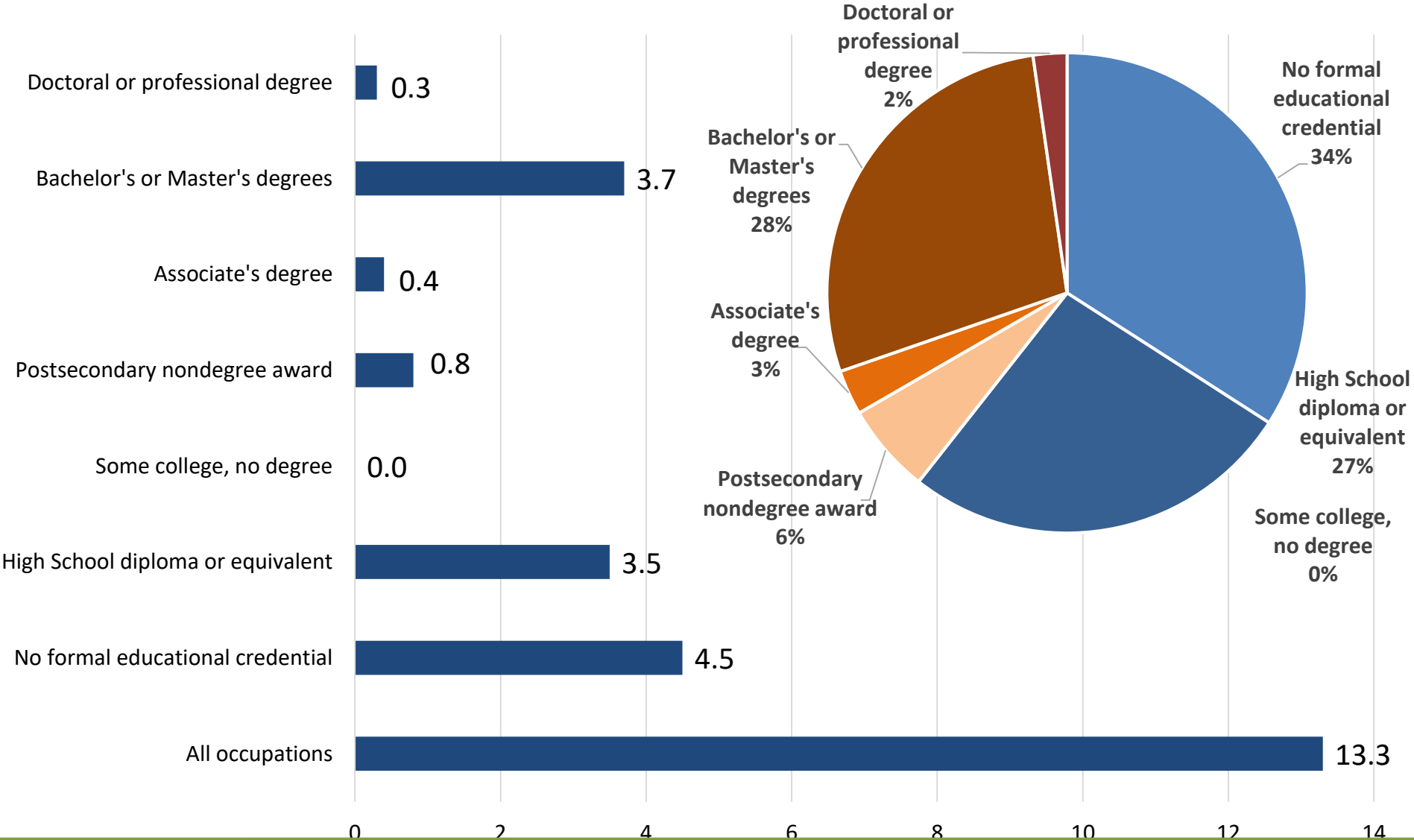


# USA Typical Entry-Level Education Requirement as Percent of Total Employment – May 2016



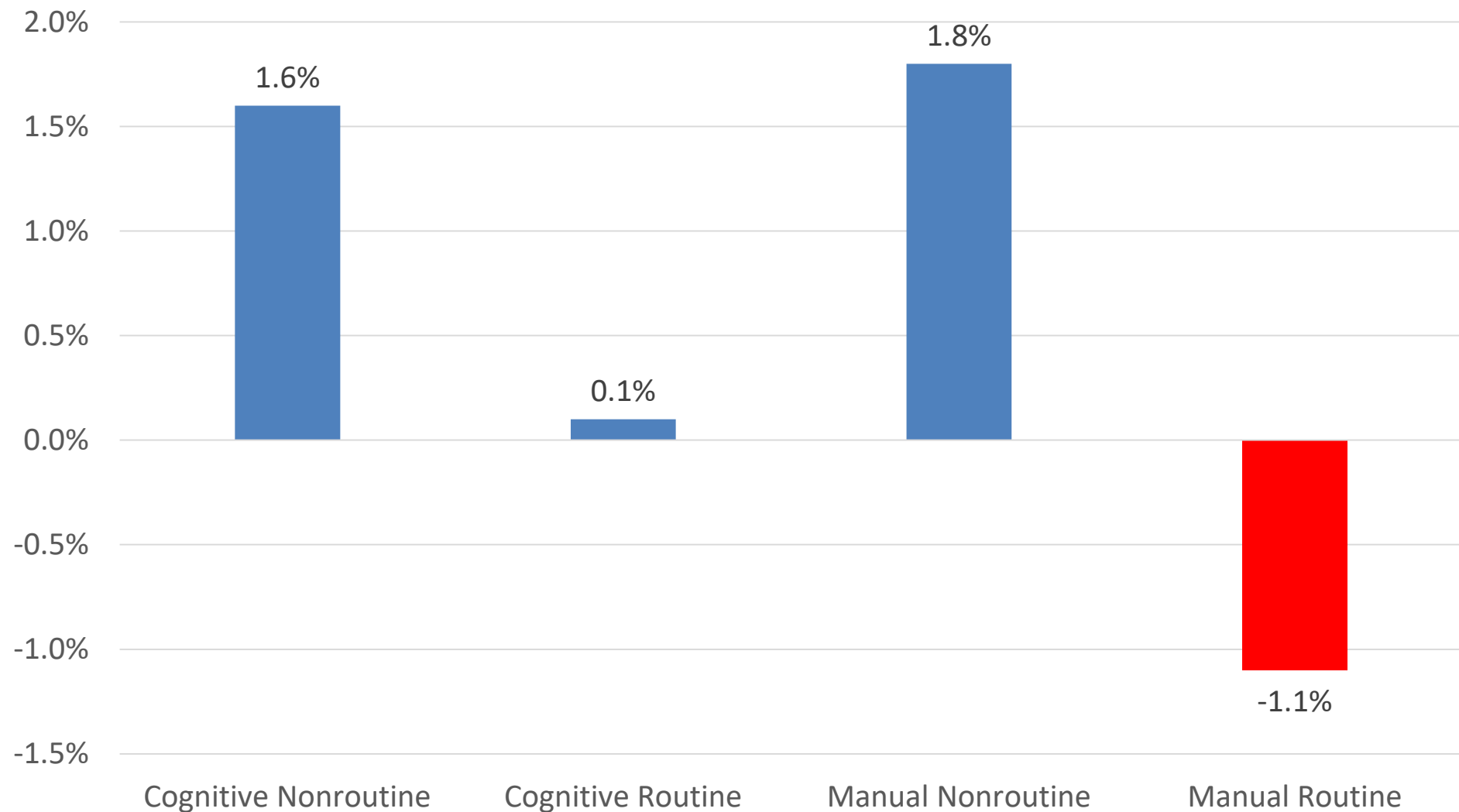
# USA Typical Entry-Level Education Requirement

## Change in Total Employment May 2010-May 2016 (in millions)

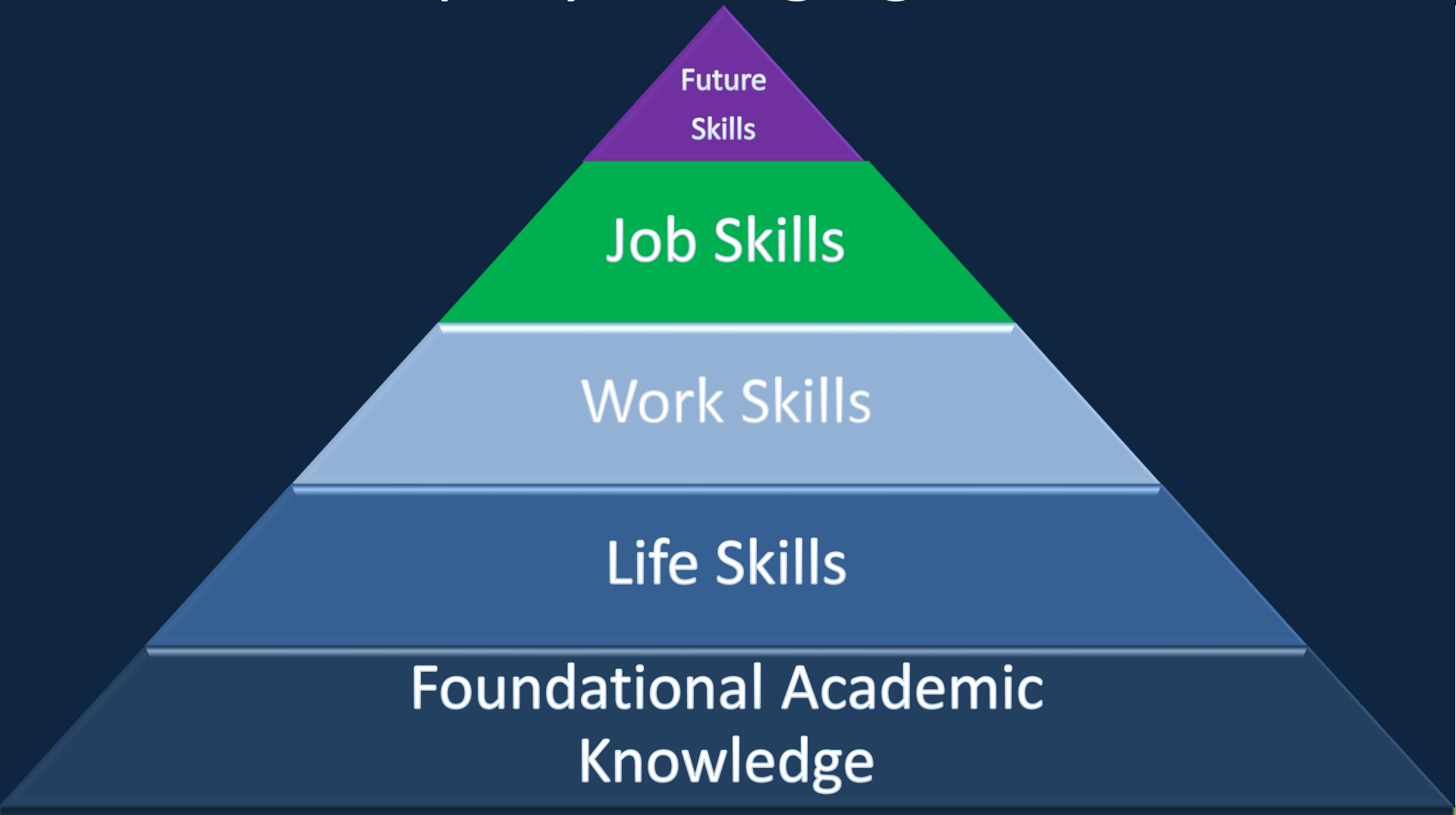


# Employment Growth 2004-2014

## By Type of Job



# What Skills Do You Need To Be Successful in a Rapidly Changing World?





# Is Virtual Reality the New Learning Model?



So  
WHAT?

# The Response to Hyper-Competitiveness

- Right-to-work spreading
- Legal reform
- Business taxes are being reduced
- Workforce training moving to demand-focused
- College “promises”
- New public-private infrastructure models
- “Speed of Business”
- Regional geographies







**ECONOMIC**  
L E A D E R S H I P

**HELLO**  
my name is

**CHANGE**

Follow on twitter  
**@tedabernathy**

**LinkedIn Ted Abernathy**

**[www.econleadership.com](http://www.econleadership.com)**

*"Leadership and learning are indispensable to each other."  
John F. Kennedy*



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# Catherine Moga Bryant

Deputy Assistant Secretary  
Division of Workforce Solutions  
NC Department of Commerce





# *NCWorks: Workforce Solutions for Your Business*

*Catherine Moga Bryant  
Deputy Assistant Secretary  
Division of Workforce Solutions*



# North Carolina

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## *Business Climate and Workforce Development*

**#1** State for Workforce Development,  
Atlantic Region  
*Site Selection 2016*

**#2** Business Climate Ranking  
*Site Selection 2015*

**#2** Best State for Business  
*Forbes 2015*

**#2** State for Educational Resources  
*Area Development 2015*



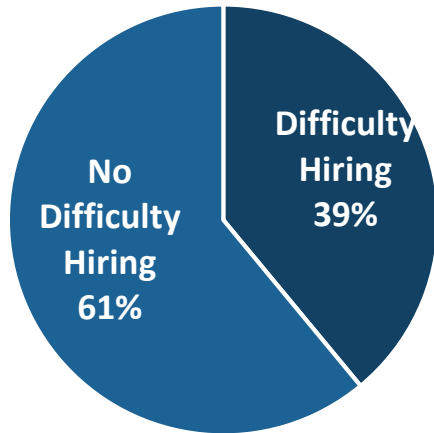
# Workforce Challenges

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- Difficulty recruiting and hiring qualified, work-ready employees
- Lack of information about local labor market and wage data
- New employees require training to meet specific business objectives
- Current employees require up-skilling for new technologies, positions, and lines of business
- Company investing less in worker training
- High turnover or succession planning challenges
- Company downsizing and needs to find employment and resources to assist affected workers

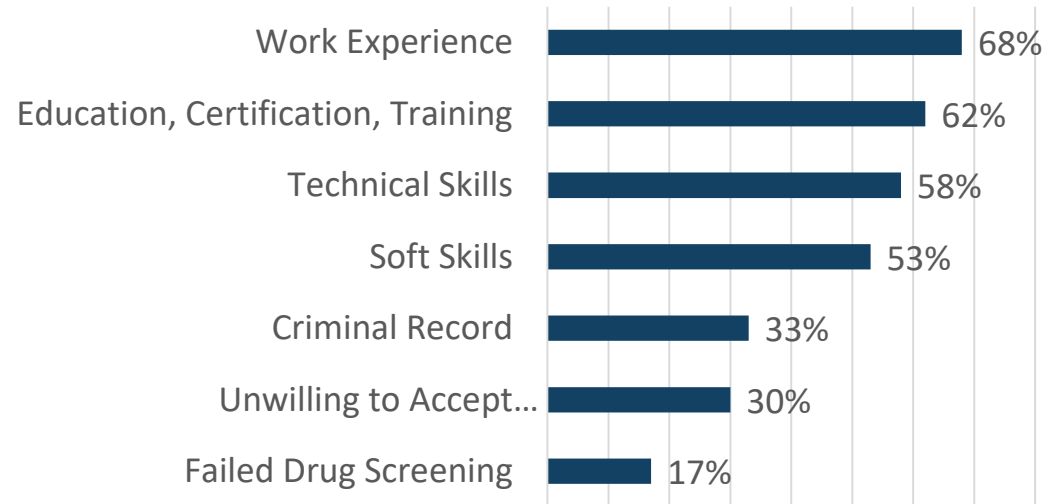
# 2016 Employer Needs Survey Data

Percentage of North Carolina Employers Experiencing Hiring Difficulties in 2016 \*



\*among establishments with 10-499 employees, difficultly hiring at least one employee over the past year

Reasons for Hiring Difficulties Chosen by Employers



# NCWorks Business Services

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## North Carolina wants to see your business grow

Through NCWorks, we can help you find, develop, and retain talented employees, from entry-level to experienced positions. Whether your business is new or well-established, large or small, there are workforce solutions available to meet your specific needs at little or no cost to your business.



Recruitment and  
Screening



Training



Pipeline  
Development



Transition  
Services

# NCWorks Business Services

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## Recruitment and Screening

We connect your company to qualified, work-ready employees through the following workforce solutions:

- Job postings and applicant tracking on NCWorks.gov
- Individualized screening by career professionals
- Validated skill assessments, including the nationally-recognized ACT Career Readiness Certificate
- Job profiling
- Coordination of job fairs
- Interview, meeting, and training space
- Labor market information, including local wage data
- Job accommodations to assist workers with disabilities including workplace modifications, assistive technology, and job coaches.
- Tax credits and fidelity bonds to hire individuals who are qualified for open positions, but face barriers to employment



# NCWorks Business Services

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## Training

We provide training for new hires and existing employees through classroom, online, and on-the-job training solutions and support services:

- On-the-job training resources to train qualifying employees using company instructors
- Customized training for your growing business to meet specific objectives that add to business success
- Apprenticeships that combine on-the-job learning with related classroom instruction
- Programs and courses to upgrade employees' job-related skills and/or provide a recognized industry or national credential (licensure, certification, renewal, registry listing)

# NCWorks Business Services

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## Pipeline Development

We help you develop a sustainable pipeline of future talent by connecting you with the following opportunities:

- Working collaboratively with regional education and workforce partners to develop NCWorks Certified Career Pathways to prepare students for a career in your industry sector
- Connecting with youth and/or adults through internships, pre-apprenticeships, co-ops, job shadowing, mentoring, and facility tours
- Utilizing local funding opportunities to provide paid work experience to eligible candidates
- Educating local teachers and career coaches on your industry's workforce opportunities and needs

# NCWorks Business Services

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## Transition Services

We provide on-site outplacement services to assist companies impacted by downsizing to find other employment for their workers:

- Developing outplacement transition plans for companies
- Analyzing regional career opportunities
- Providing specialized assistance to employees, such as resume development, interview preparation, computer access, financial planning workshops, skill assessments, and connection to training opportunities
- Comprehensive re-employment services for workers negatively impacted by foreign trade, including Trade Adjustment Assistance

# NCWorks Online

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## Recruit Skilled Employees

[NCWorks.gov](https://www.ncworks.gov) is North Carolina's official, free job search website that gives employers the ability to:

**Search for candidates** based on their skills, work experience, and resumes

**Post job listings** and review potential candidates

**Find and review resumes** of candidates that have the qualifications you need

**Access real-time labor market data** specific to your area and your industry

# NCWorks Certified Work Ready Community

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## Assess the Skills of Your Candidates

The **ACT National Career Readiness Certificate** (CRC) is a portable, evidence-based credential that measures candidates' work related skills.

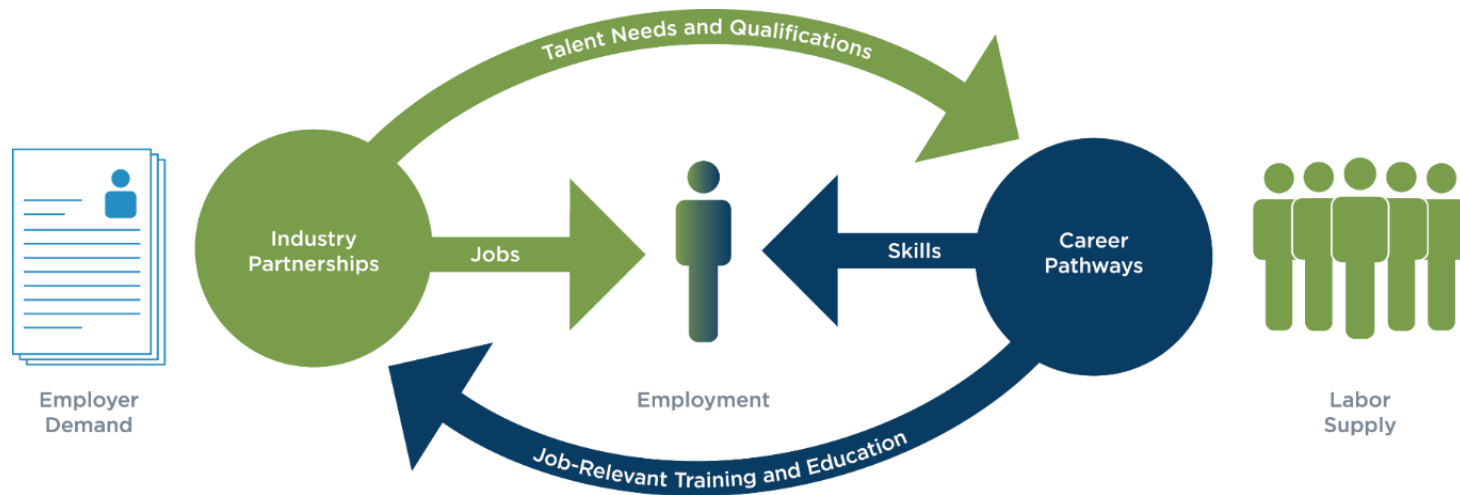
CRCs help employers reduce hiring time, costs, and turnover

A county in North Carolina can become a **Certified Work Ready Community** by meeting criteria for workforce excellence

CRC recognized by over 2,500 North Carolina businesses and growing....we need your support!

# NCWorks Career Pathways

**NCWorks Certified Career Pathways** provide a clear sequence of education courses, credentials, and training that meets the skill needs of high-demand industries.



# NCWorks Career Pathways

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Nursing

Advanced Manufacturing

Aviation

Transportation and Logistics



# Connect to NCWorks Services

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Visit [NCWorks.gov](https://ncworks.gov)

Meet with your local NCWorks business representative

Visit an NCWorks Career Center

Set up a job fair at your local NCWorks Career Center

Offer industry tours to interested students and teachers

Develop internships and job-shadowing opportunities

# Connect to NCWorks Services

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James Bain

Director, Regional Partnership

[JBain@regionalcs.org](mailto:JBain@regionalcs.org)

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# Kellie Covington

Human Resources Manager  
Walmart Distribution Center





# Economic Summit 2017

Workforce Challenges

Kellie Covington

# Purpose and Objectives

- Why are we here today?
  - ▣ Identify Workforce Challenges
  - ▣ Do something about them!
- What is the MAIN workforce challenge?

# What does it mean to be properly staffed?

1. Quantity
2. Quality
3. Trained & Developed

**Kellie's Staffing Equation:  
 $Q + Q + (T + D) = \text{Optimized Staffing}$**



# What does it mean to be properly staffed?

- Quantity
  - ▣ Physically, do you have enough people?
- Quality
  - ▣ Attitude, Team Player, Proactive
  - ▣ On-time, Ethical, Safe
  - ▣ Smart, fun!

‘Hire for curiosity, integrity & drive’  
Robert Stephens, Founder of Geek Squad



# What does it mean to be properly staffed?

1. Quantity
  - ▣ Physically, do you have enough people?
2. Quality
  - ▣ Attitude, Team Player, Proactive
  - ▣ On-time, Ethical, Safe
  - ▣ Smart, fun!
3. Trained & Developed
  - ▣ Basic Skills to do the job
  - ▣ Additional skills, Cross-trained, Business Acumen

(Assess the situation-Take Appropriate Action)

# Workforce Analysis Process

## Supply analysis

Where are we now?

What do we have?



## Demand analysis

Where do we want to be?

What do we need?



## Gap analysis

What KSAs exist?

What is lacking and what will be needed?



## Solution analysis

What can we afford?

How will we get what we need?

# Solution Analysis

## Build

- Redeploy
- Train and develop

## Buy

- Recruit and hire

## Borrow

- Outsource, lease, or contract

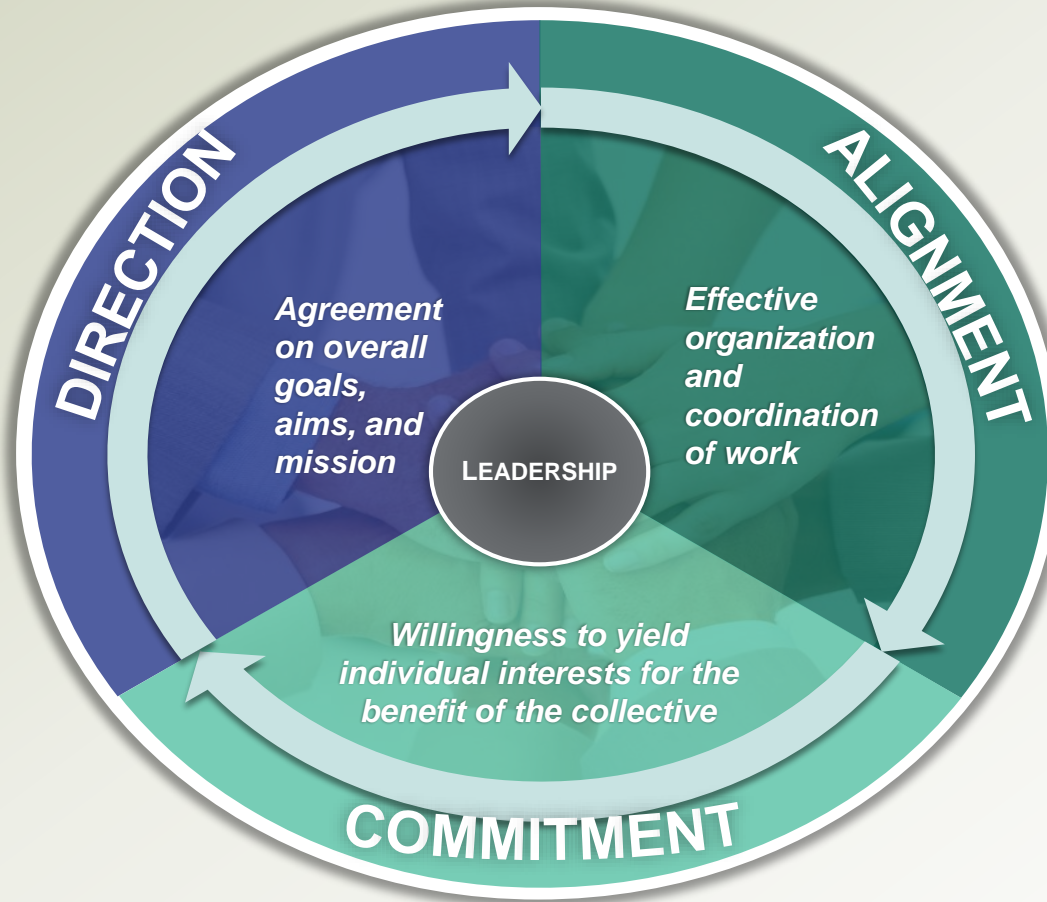


Balance

# Direction-Alignment-Commitment

## A Social Process

**How will we  
decide on a  
shared  
direction?**



**How will we  
coordinate our  
work to fit  
together?**

**How will we maintain  
commitment to the collective?**



# Solution Analysis

## Build

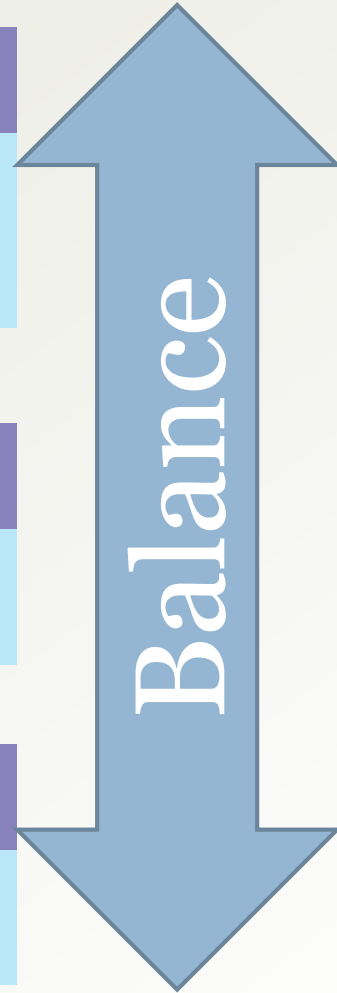
- Redeploy
- Train and develop

## Buy

- Recruit and hire

## Borrow

- Outsource, lease, or contract



# Solution Analysis

## Build

- Redeploy
- Train and develop

How do you build?

Recommendation:

- Internships
- Apprenticeships
- Internal “Harvest Programs”

# Obstacles to Building Talent

- Time “We’re too busy”
- Lack of internal skills
- Lack of Commitment
  - Key Stakeholders
  - Leaders
  - Associates
- **Money**
  
- ???

# External Funding for “Build”

- Put Your Tax Dollars to Work!
  - States are motivated to enhance job skills (marketable/hire-able workforce = more businesses in the area=\$\$\$ tax base)
  - Colleges are motivated to
    - increase enrollment
    - help students get jobs
    - % of Grant used (Revenue Stream)
- Partner with Community Colleges in your Area
  - Possibly with Universities
  - Corporate Education & Economic Development Depts?
  - Workforce Skills Department?
  - Chamber of Commerce (*Workforce Council*)

# Key Take-Aways:

## External Funding

- There are funds out there
- Take advantage of them
- A few calls, visits, relationship building can make the difference!
- It's Win-Win
  - Your Company
  - School
  - Associates
  - Local Workforce





# Recommendations

- Be properly Staffed
  - ▣ Quantity, Quality, Trained & Developed
- Conduct Workforce Analysis
  - ▣ Supply, Demand, Gap & Solution Analysis
- DAC: Direction-Alignment-Commitment
- Balanced Approach
  - ▣ Build, Buy, Borrow
- Leverage External Resources
  - ▣ Tax Dollars for Workforce Development
- VIP: Take Action



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