

TALENT 2.0 | WORKFORCE STRATEGY

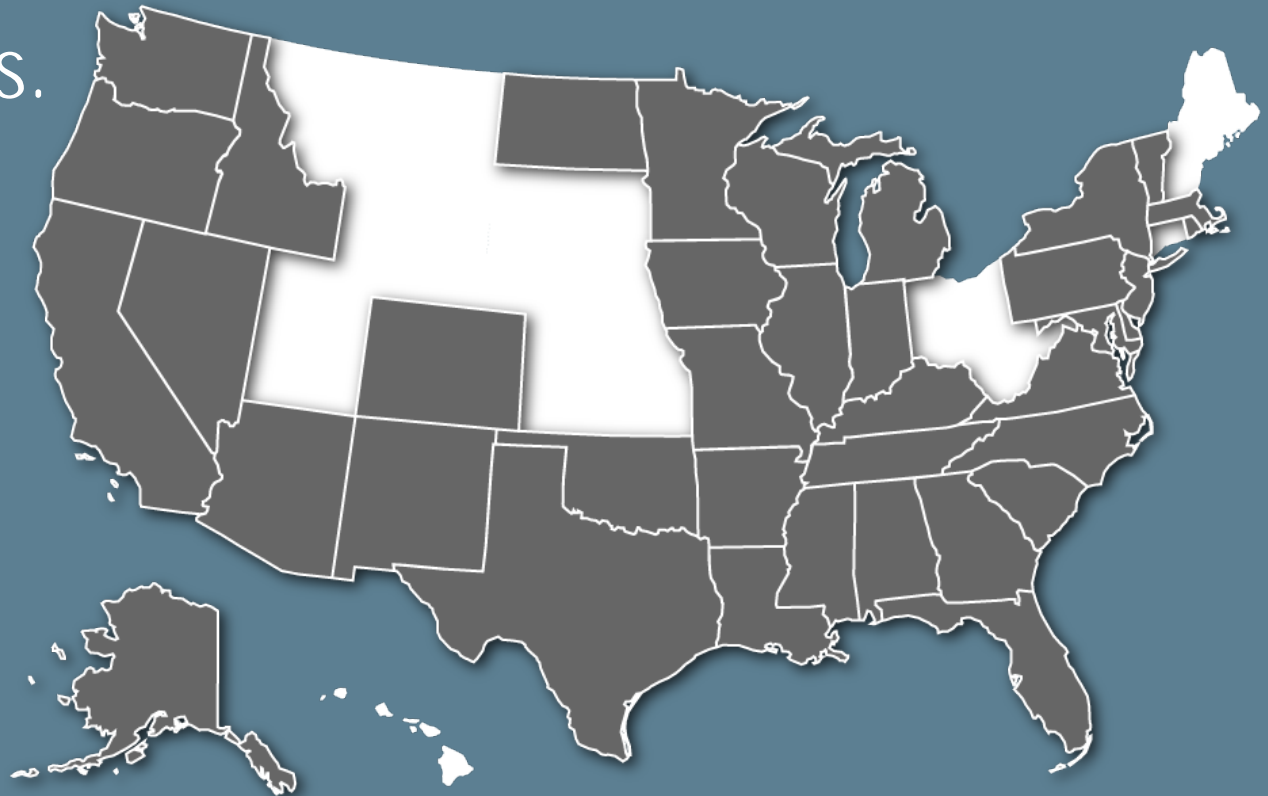
FORT COLLINS – LOVELAND MSA

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INTRODUCTION



We have over **20** years of experience
in over **200** unique communities,
across **38** states
& 4 countries.





SERVICES

STRATEGIC
PLANNING

WORKFORCE
ASSESSMENT

ECONOMIC
ANALYSIS

CURRENT & RECENT PROJECTS

Auburn, WA – Economic Development Strategy

Austin, TX – Workforce Master Plan

Fort Campbell, KY – Regional Economic Diversification Strategy

Fort Worth, TX – Economic Development Strategy

Green Bay, WI – Economic Development Strategy

Kern County, CA – Regional Economic Diversification Strategy

Massachusetts Development Authority – Defense Industry Diversification Strategy

Minneapolis-St. Paul, MN – Core City Districts Strategy

Northern Iowa Corridor – Economic Development Strategy

Northwest Florida – Economic Development Strategy

Oregon Talent Council – Workforce Study & Investment Strategy

Savannah River Site, SC – Consequences Analysis

South Carolina I-77 Alliance, SC – Labor Study & Target Industry Alignment

Washington Military Alliance - Defense Industry Diversification Strategy

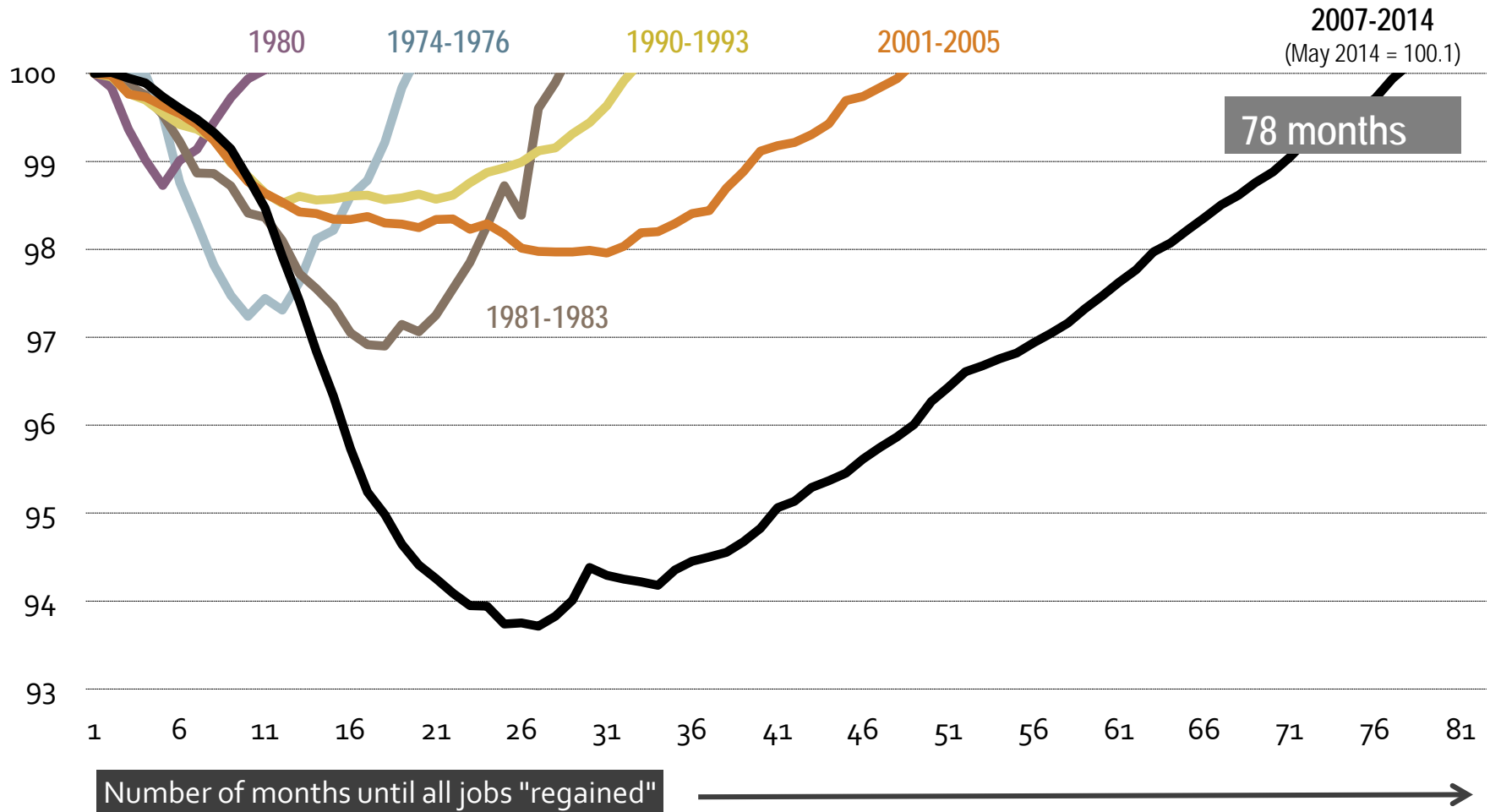
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NATIONAL TRENDS

Recessions Compared

RECESSIONARY EMPLOYMENT TRENDS

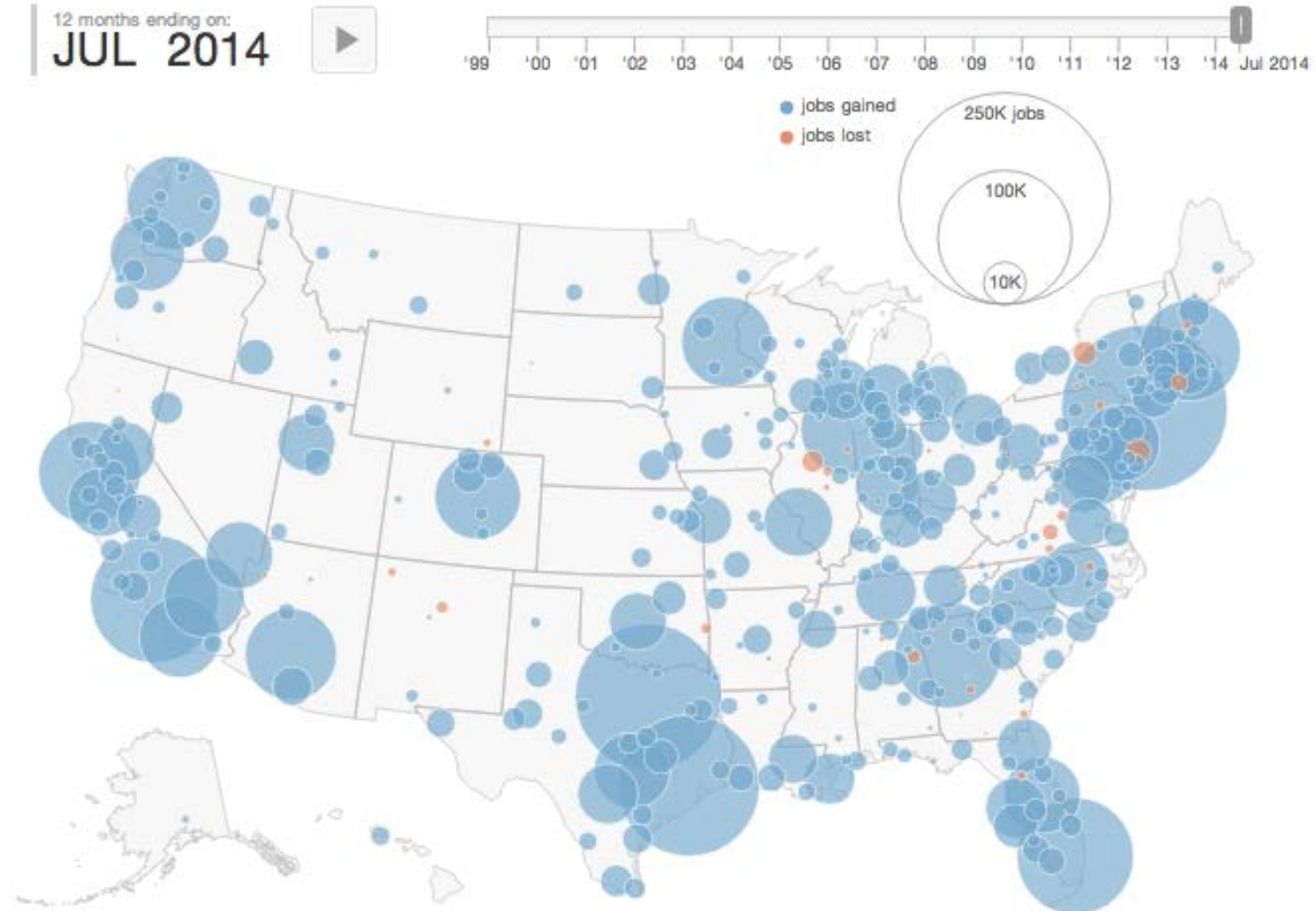
Peak employment = 100



Sources: U.S. Bureau of Labor Statistics, Current Employment Statistics (total nonfarm employment, seasonally adjusted); NBER (recession dates); New York Times (format)

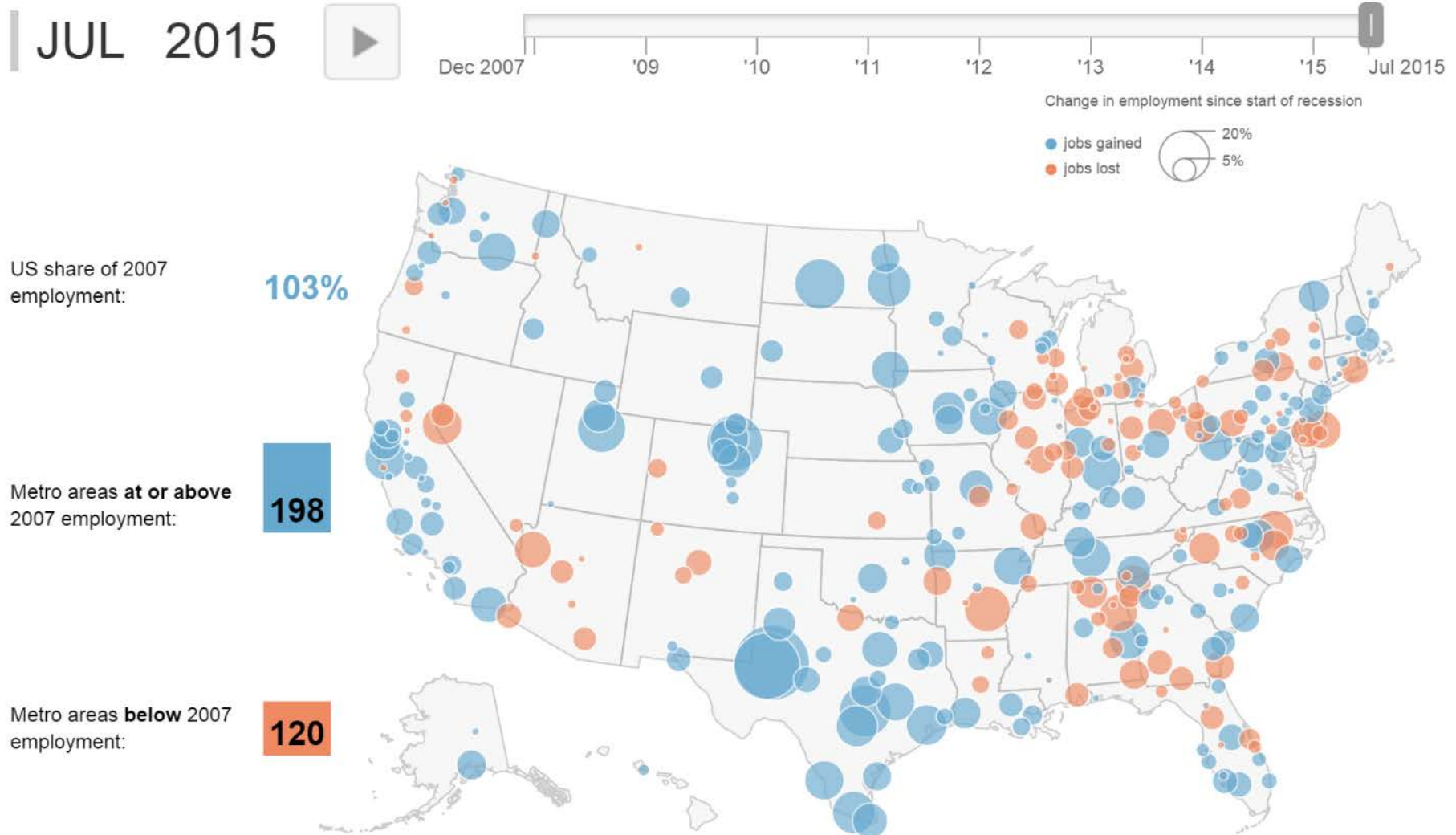
The Geography of Jobs

Net Job Gains/Losses by Metropolitan Statistical



THE GEOGRAPHY OF RECOVERY

Cumulative Change in Employment Since the Beginning of the Great Recession

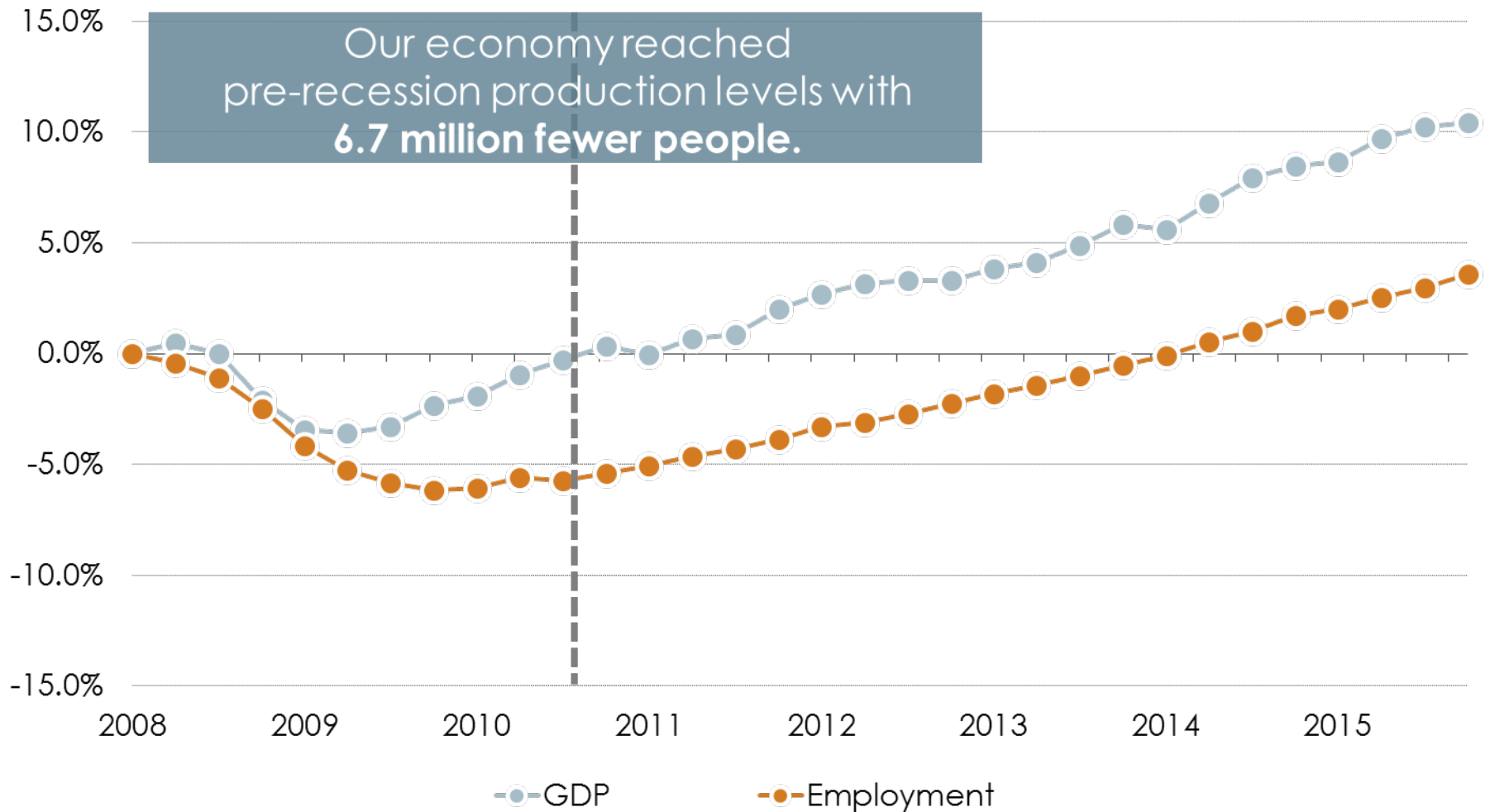


Source: U.S. Bureau of Labor Statistics, Current Employment Statistics; TIP Strategies

A JOBLESS RECOVERY?

COMPARISON OF REAL GDP TO EMPLOYMENT

2008 to 2015, cumulative change since 2008



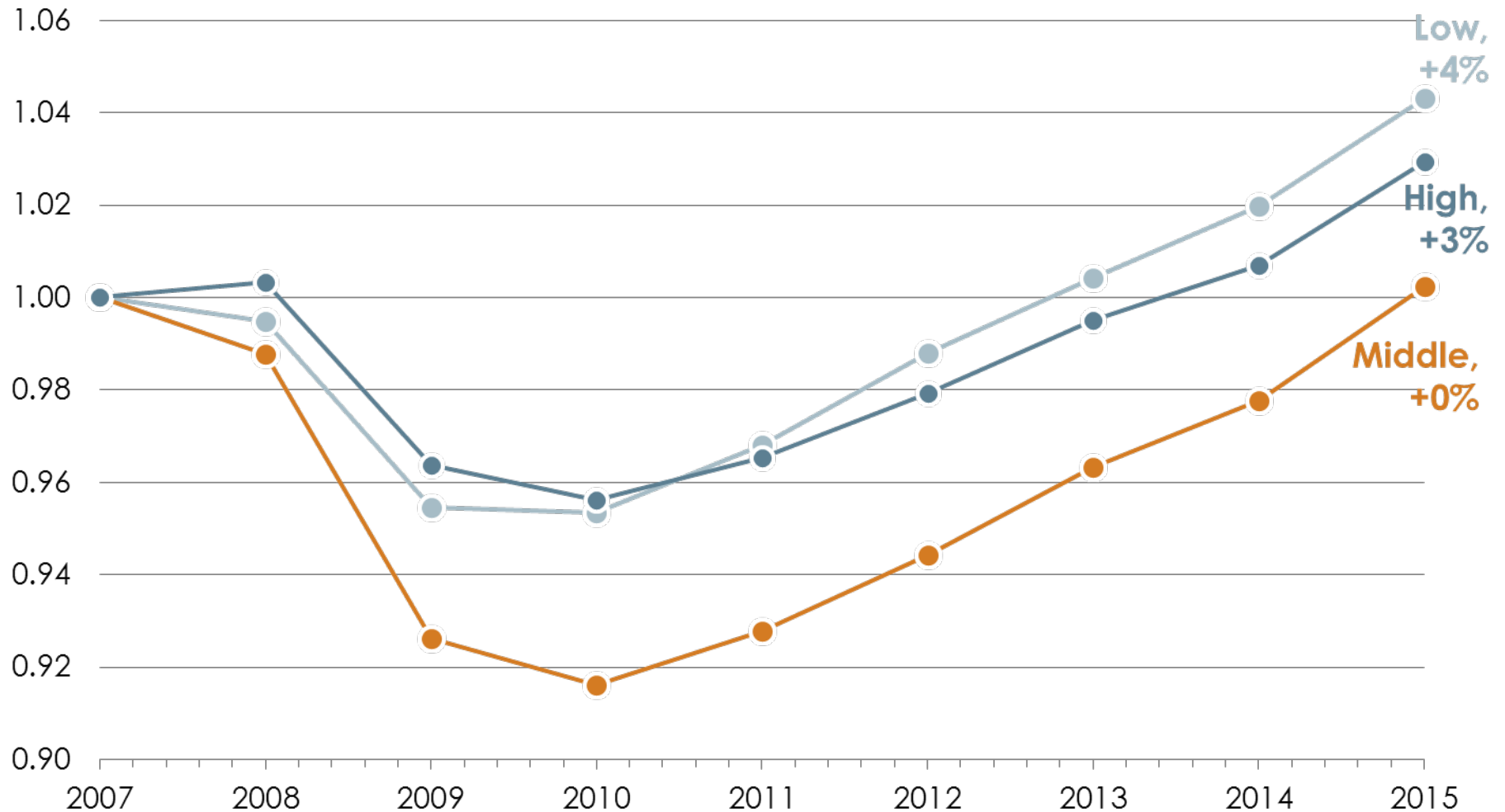
Source: Bureau of Economic Analysis, Bureau of Labor Statistics.



THE HOLLOWING OUT OF THE MIDDLE

OCCUPATIONAL GROWTH BY WAGE LEVEL

2007 to 2015, indexed to 2007

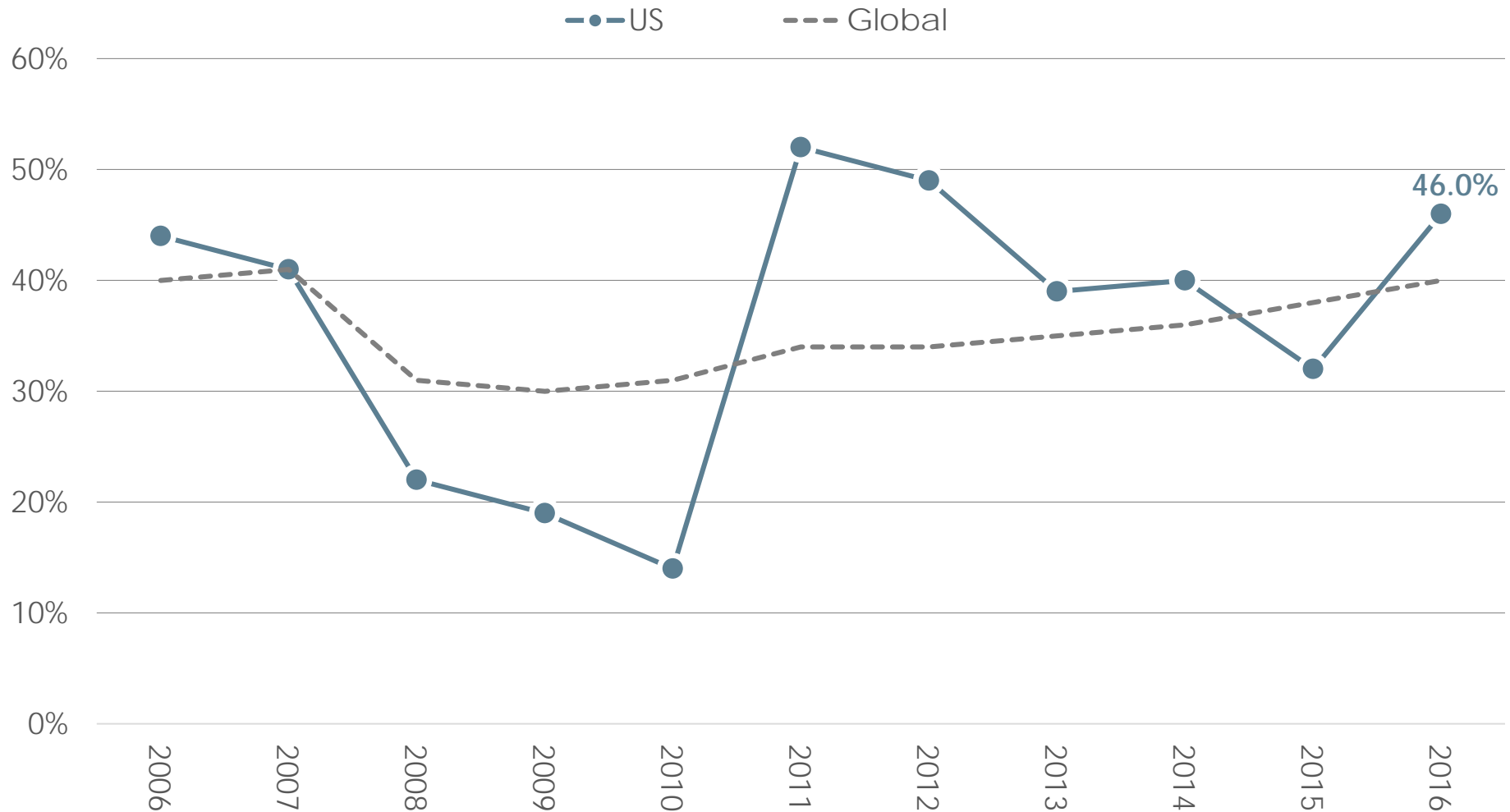


Sources: U.S. Bureau of Labor Statistics, Current Employment Statistics (total nonfarm employment, seasonally adjusted); NBER (recession dates); New York Times (format)

EVIDENCE OF TALENT SHORTAGE

PERCENT EMPLOYERS REPORTING DIFFICULTY FILLING JOBS

2006 to 2016



Source: Manpower 2016 Talent Shortage Survey.

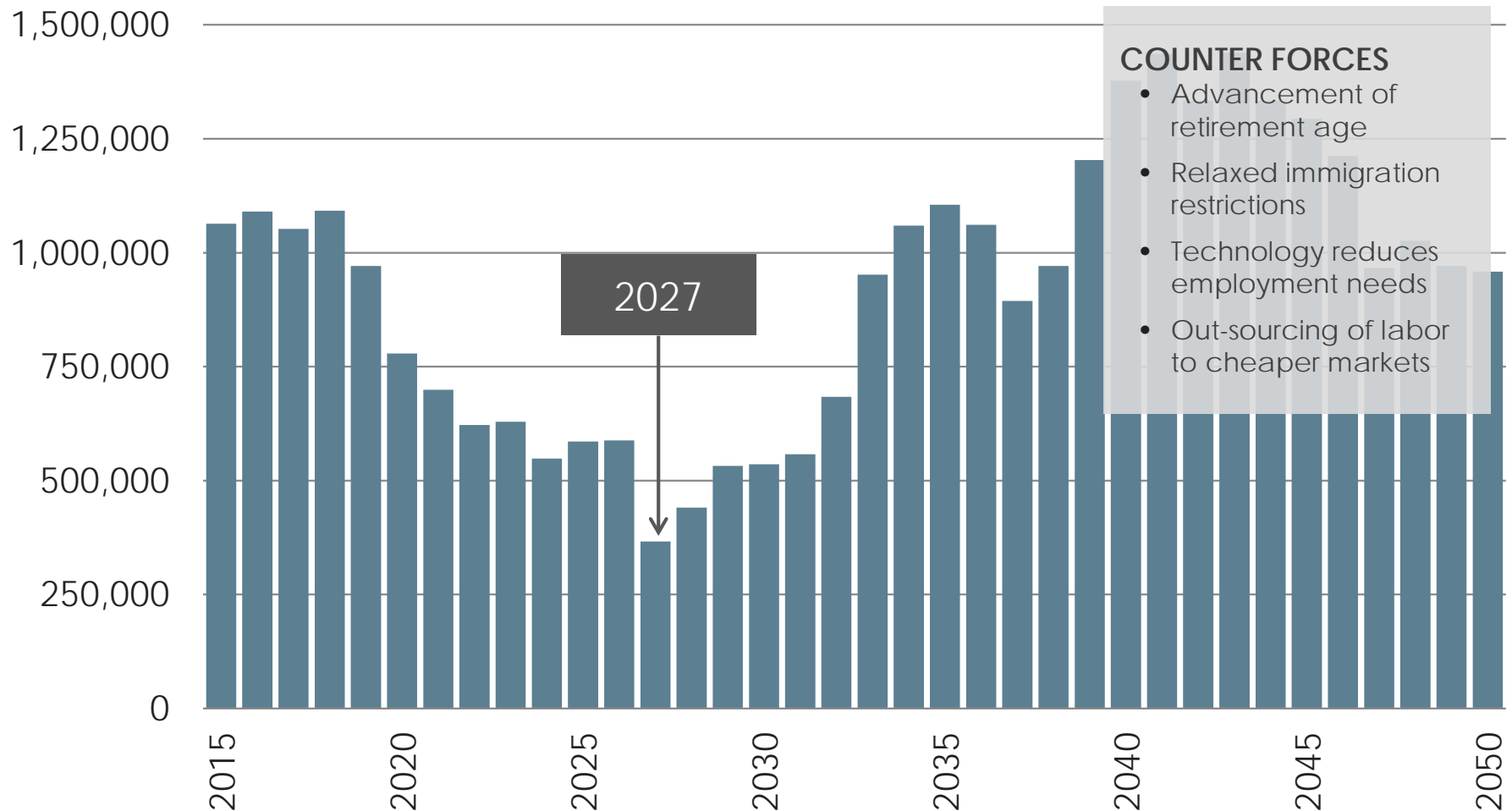
TOP 10 JOBS EMPLOYERS ARE HAVING DIFFICULTY FILLING

GLOBAL
1. Skilled Trades
2. IT Personnel
3. Sales Representatives
4. Engineers
5. Technicians
6. Drivers
7. Accounting & Finance Staff
8. Management/Executive (Management/Corporate)
9. Production Operators/Machine Operators
10. Secretaries, PAs, Receptionists, Administrative Assistants, & Office Support Staff

UNITED STATES
1. Skilled Trades
2. Drivers
3. Sales Representatives
4. Teachers
5. Restaurant & Hotel Staff
6. Accounting & Finance Staff
7. Nurses
8. Laborers
9. Engineers
10. Technicians

CHANGING DEMOGRAPHICS

PROJECTED NET ANNUAL CHANGE IN THE US WORKING-AGE POPULATION



Sources: TIP Strategies, U.S. Census Bureau (NP2014_D1)

"Working-age" defined as 18-66 (average planned retirement age based on April 2014 Gallup poll).

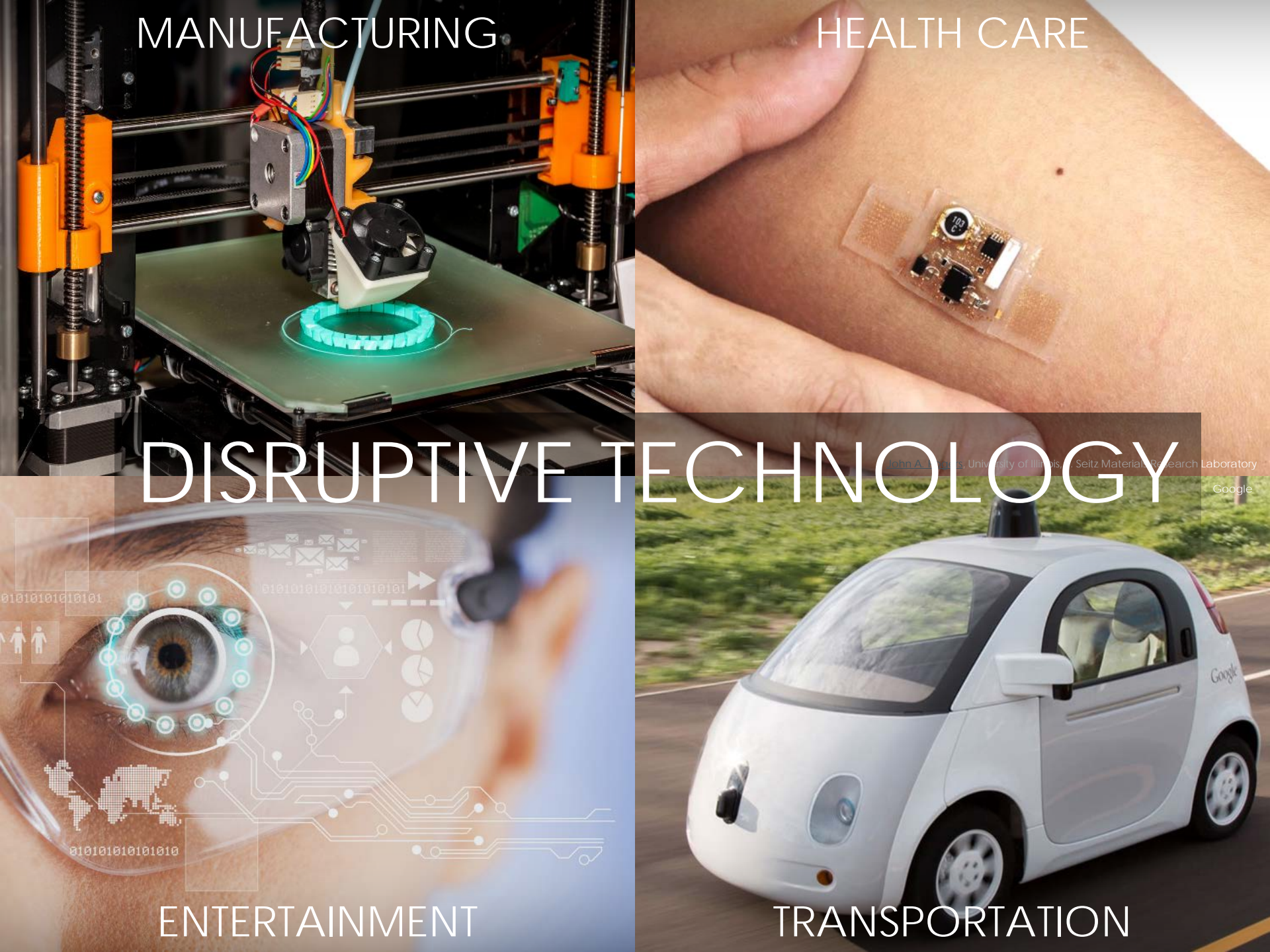
MANUFACTURING

HEALTH CARE

DISRUPTIVE TECHNOLOGY

ENTERTAINMENT

TRANSPORTATION



By 2020, the US economy is expected to create 55 million job openings: 24 million of these will be entirely new positions.

-Georgetown Center on Education and the Workforce

47%

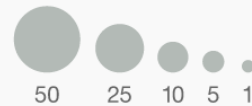
of US employment is
at-risk of automation
over next 20 years.

- "The Future of Employment," Dr Michael Osborne and Dr Carl Frey, University of Oxford.

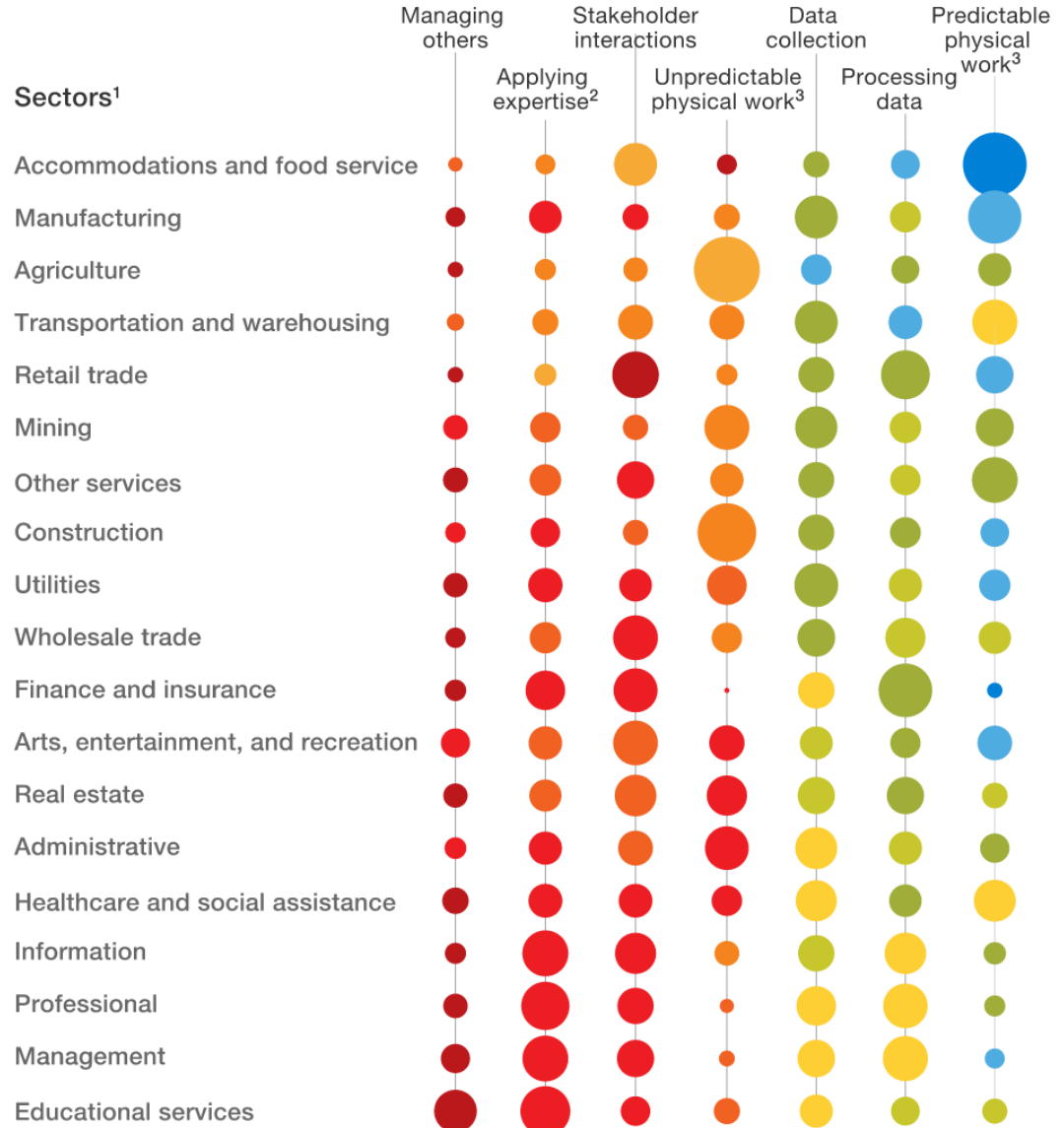
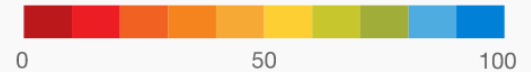
Predictors of Automation

1. Technical feasibility
2. Development & deployment cost
3. Cost/availability of labor
4. Benefits beyond labor substitution

Time spent in US occupations, %



Technical feasibility, % of time spent on activities that can be automated by adapting currently demonstrated technology



3

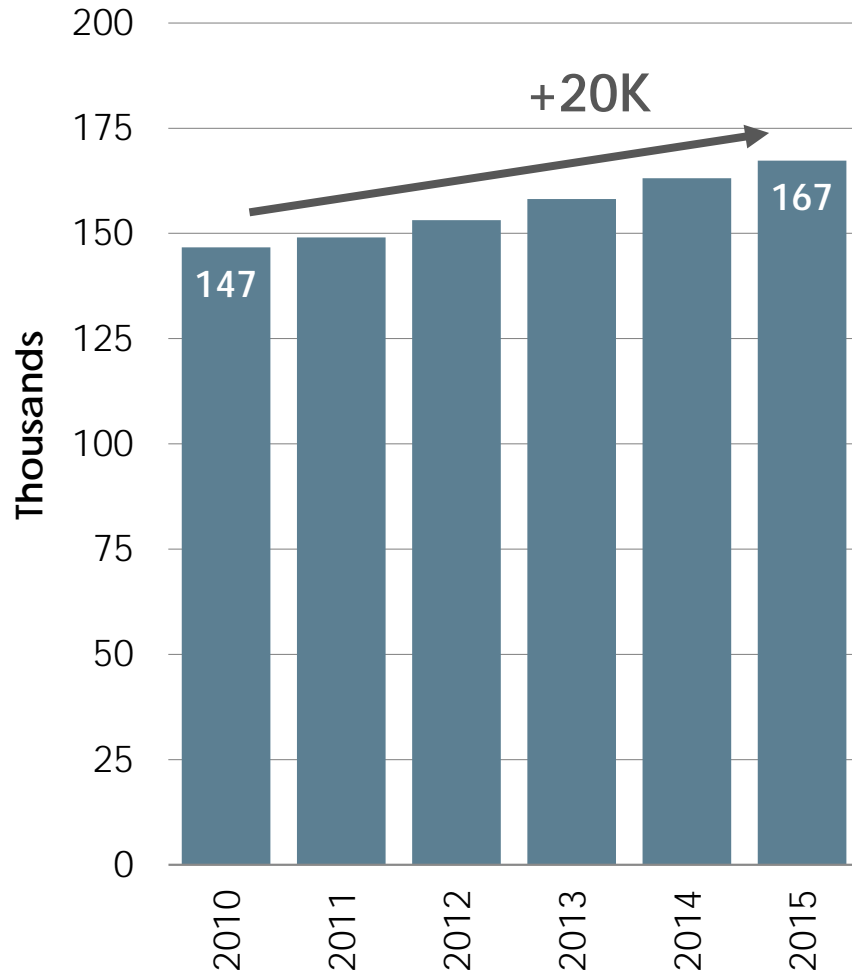
KEY WORKFORCE CHALLENGES

CHALLENGE #1: HIRING DIFFICULTY

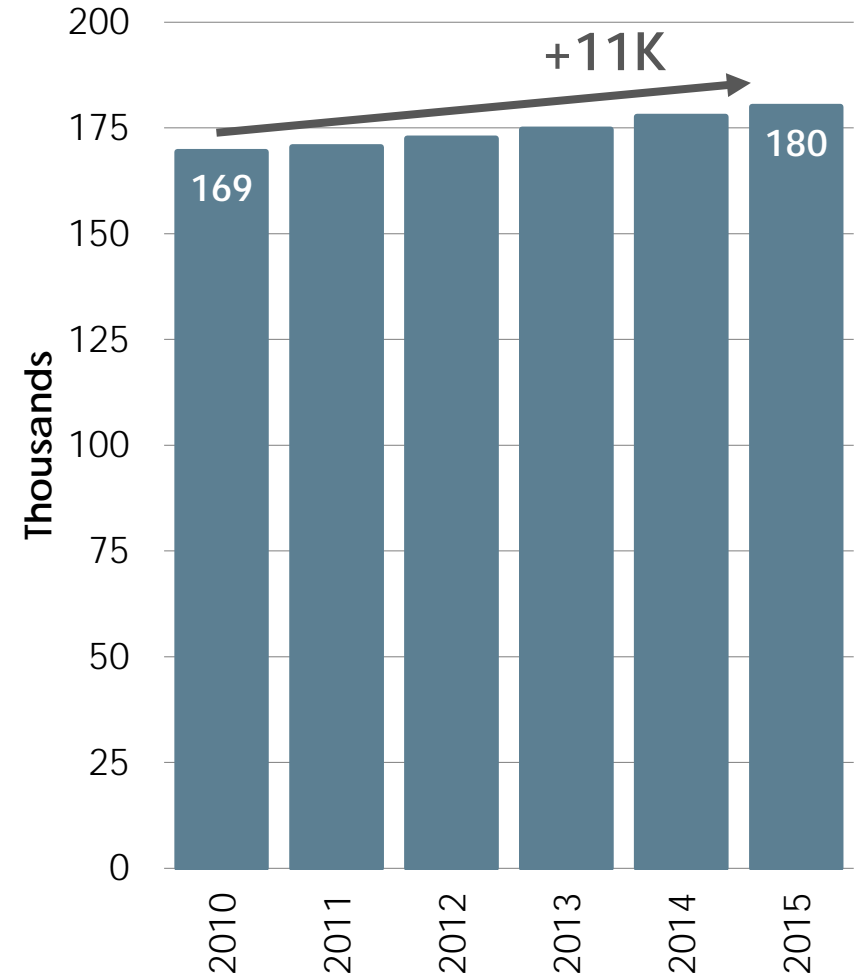
From 2010 to 2015, the regional economy added almost 20,000 jobs but only 11,000 workers. Combined with low unemployment and high underemployment, the hiring environment is already difficult.

GROWTH TRENDS: JOBS VS LABOR FORCE

TOTAL EMPLOYMENT
2010 TO 2015



CIVILIAN LABOR FORCE
2005 TO 2015



COMMUTING PATTERNS

43,594

Commute to jobs in Fort Collins - Loveland from outside

Of the 124,146 workers that held jobs in Fort Collins - Loveland in 2014, 35 percent lived outside the geo type here.



Of the 131,787 residents employed in 2014, 39 percent commuted to jobs outside the geo type here.

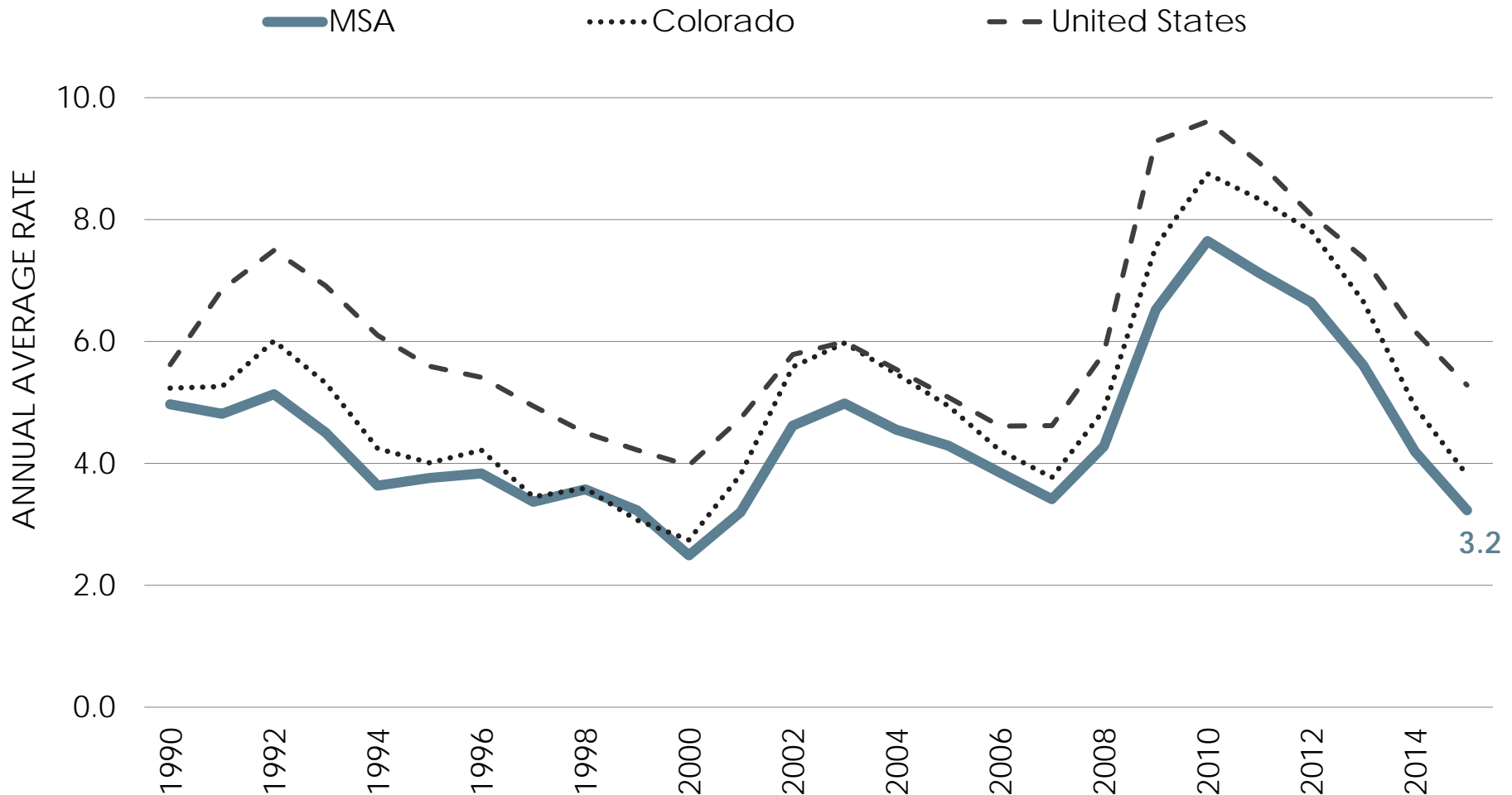
Live in Fort Collins - Loveland and commute to jobs outside

51,235

UNEMPLOYMENT

COMPARATIVE UNEMPLOYMENT, AVERAGE ANNUAL RATES

2005 TO 2015

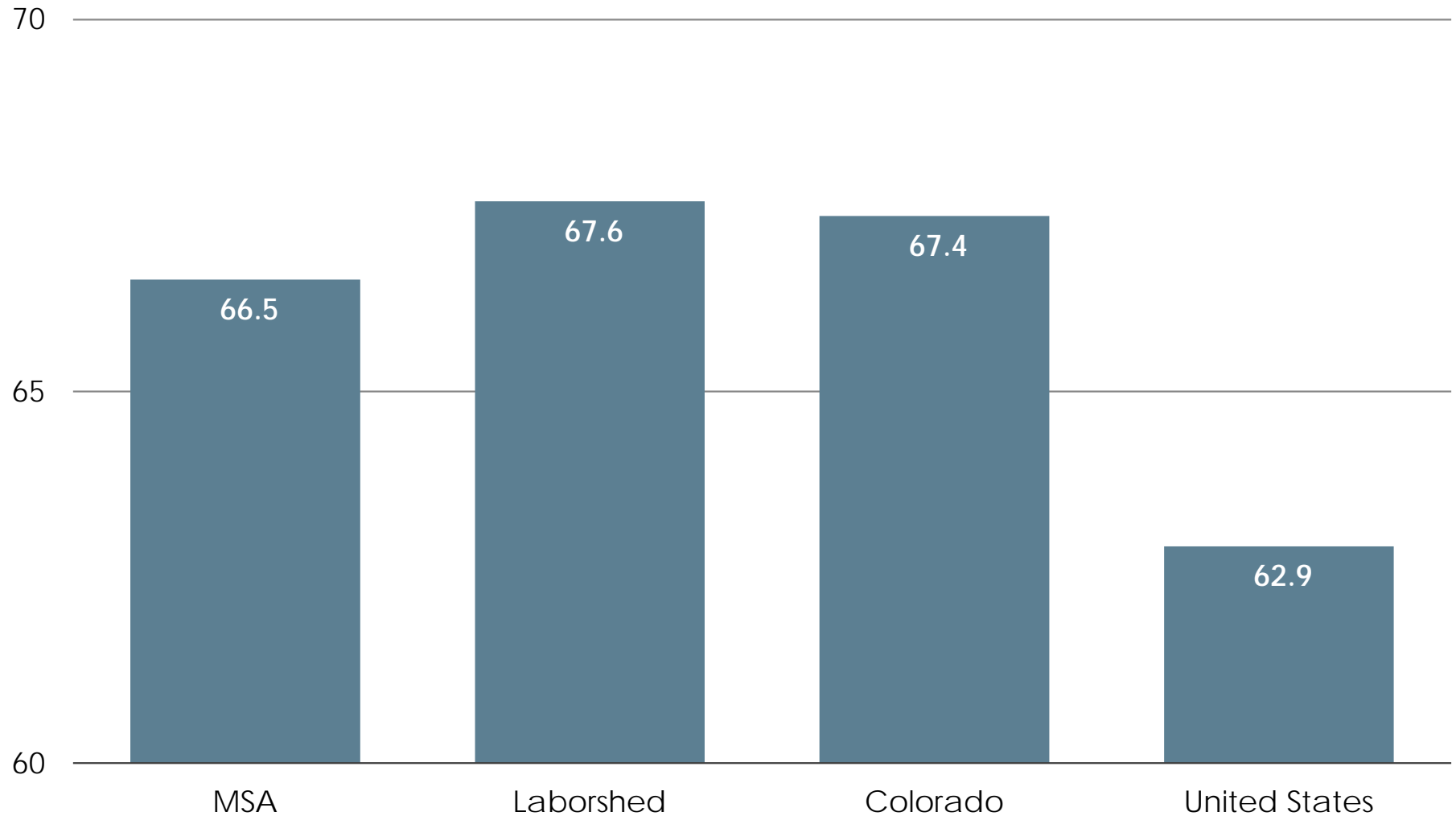




LABOR FORCE PARTICIPATION RATE

COMPARATIVE LABOR FORCE PARTICIPATION RATES

2014 Civilian Labor Force, % of Total



Sources: U.S. Bureau of Labor Statistics via Moody's.

RECRUITMENT CHALLENGES

- Difficulty attracting:
 - Talent from Denver and from coasts
 - C-Level executives
 - Young professionals
- Reliable workers to fill jobs with high physical requirements – warehouse, waste collection, construction laborers
- Workers that can pass the drug test – most often fail due to marijuana use
- Low-wage services – food services, housekeeping

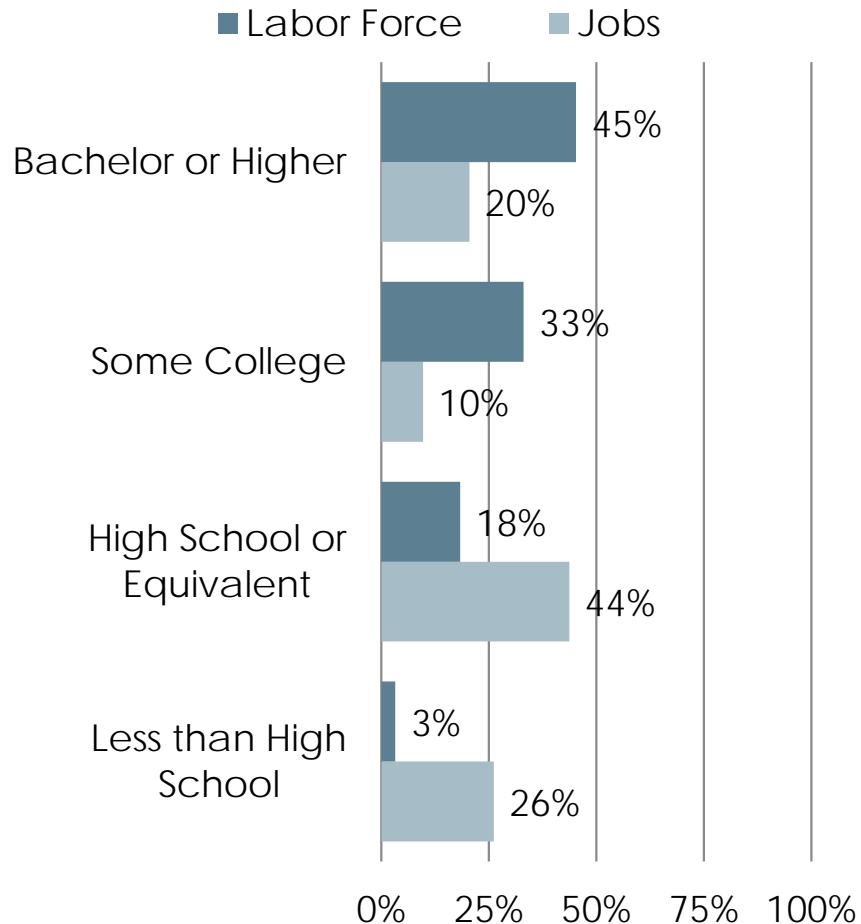
RETENTION CHALLENGES

- Underemployment means that overqualified workers are always looking for a better job
- Generational expectations
- Young professional gap

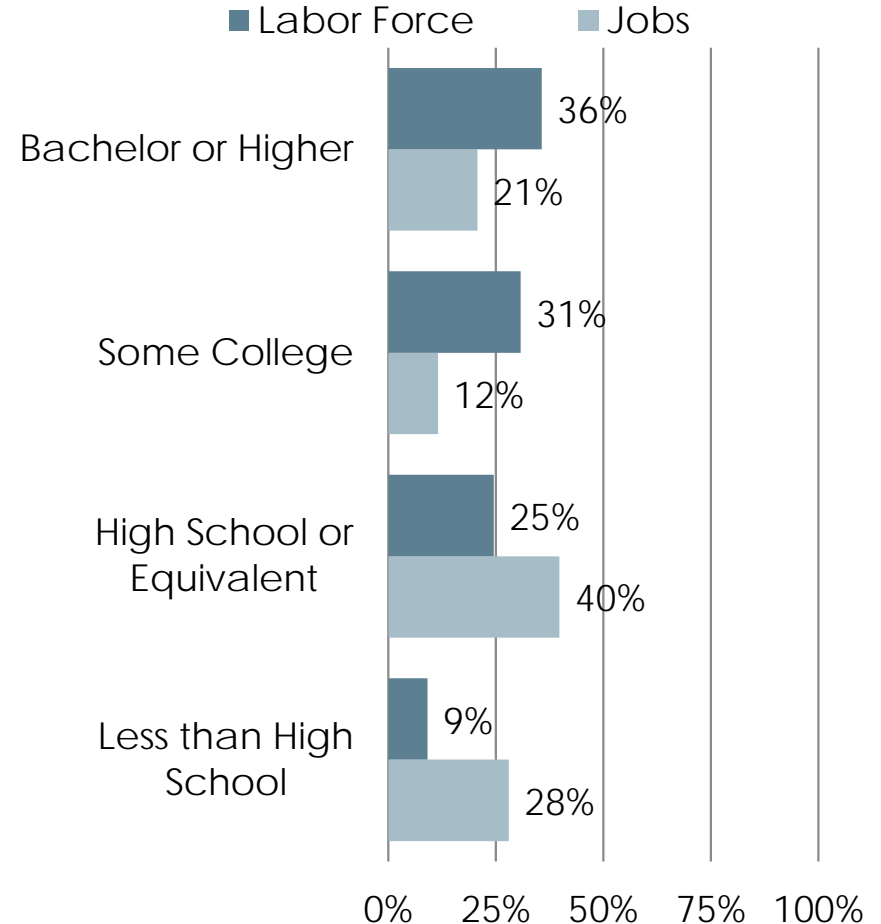
EVIDENCE OF UNDEREMPLOYMENT

EDUCATIONAL REQUIREMENTS OF JOBS VS ATTAINMENT OF LABOR FORCE

Fort Collins – Loveland MSA



United States

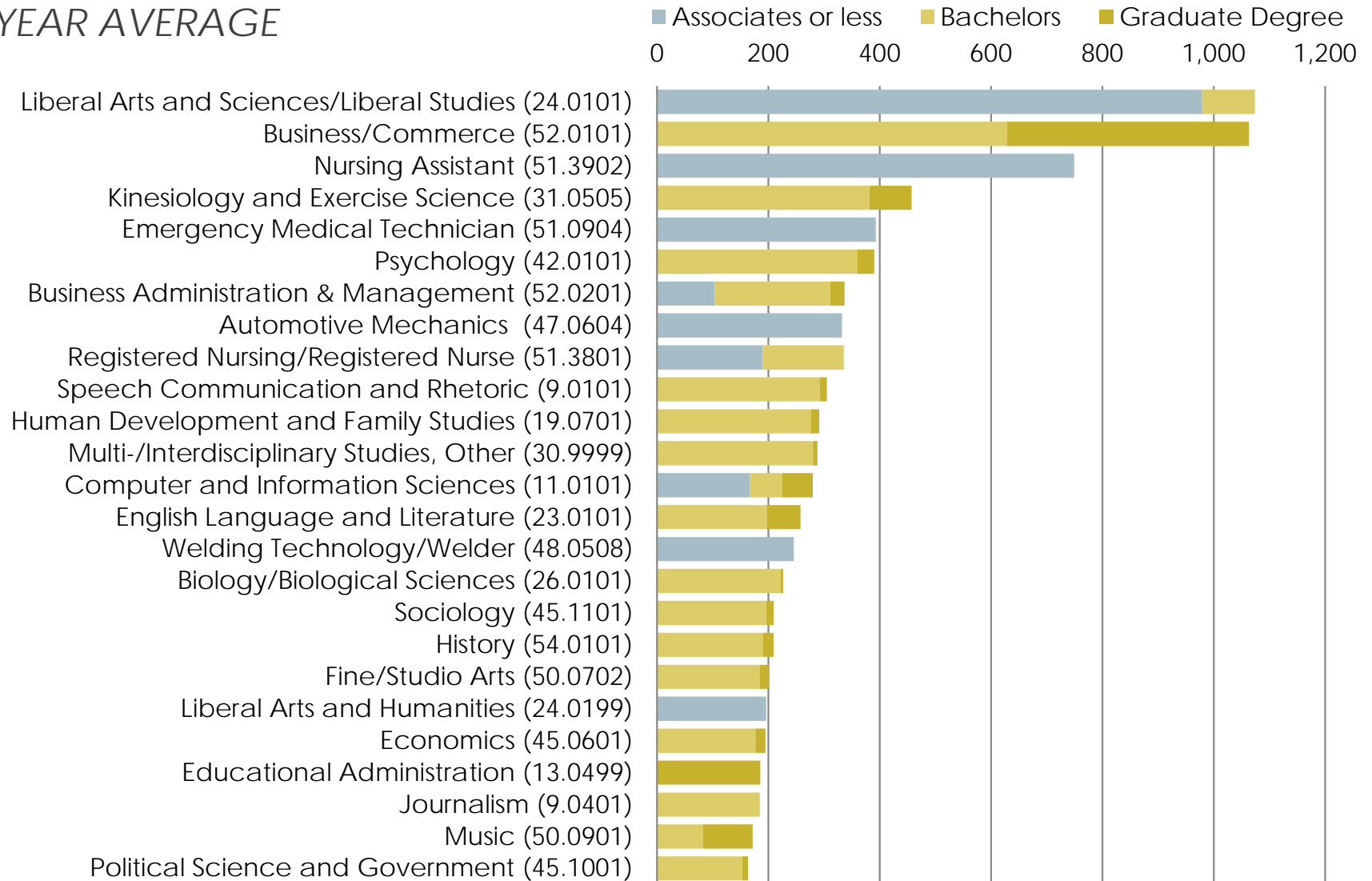


PIPELINE CHALLENGES

- Awareness of resources
- Employer engagement & input
- Finding instructors – nursing, computer science
- Student choices
 - Awareness of non 4-year opportunities
 - Choice of majors at CSU and UNC

MOST POPULAR MAJORS

TOP 25 LARGEST FIELDS OF STUDY, 3-YEAR AVERAGE



STRUCTURAL CHALLENGES

- Housing affordability at all income levels
 - Purchase & rental
- Quality childcare for affordable prices
- Transportation/mobility: traffic makes Denver farther away

CHALLENGE #2: CONTINUED TIGHTENING

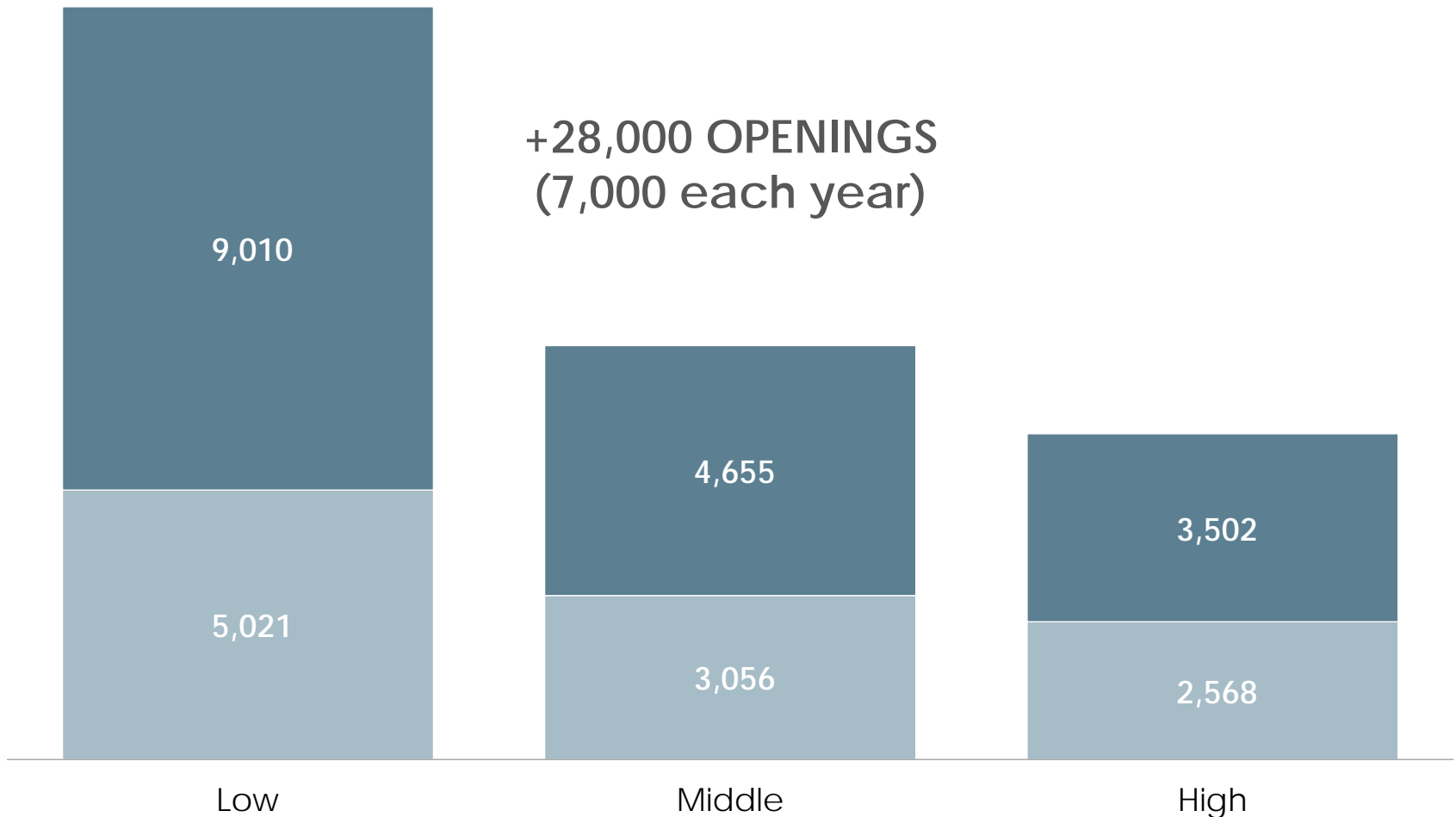
Over next 5 years, employers will have at least 28,000 openings to fill. The labor force adds only about 2,000 to 3,000 workers each year. A continuation of this trend would leave an estimated shortfall of about 5,000 workers.

PROJECTED DEMAND

EMPLOYMENT BY SKILL LEVEL, FORT COLLINS-LOVELAND MSA 2016 TO 2020

■ New ■ Replacement

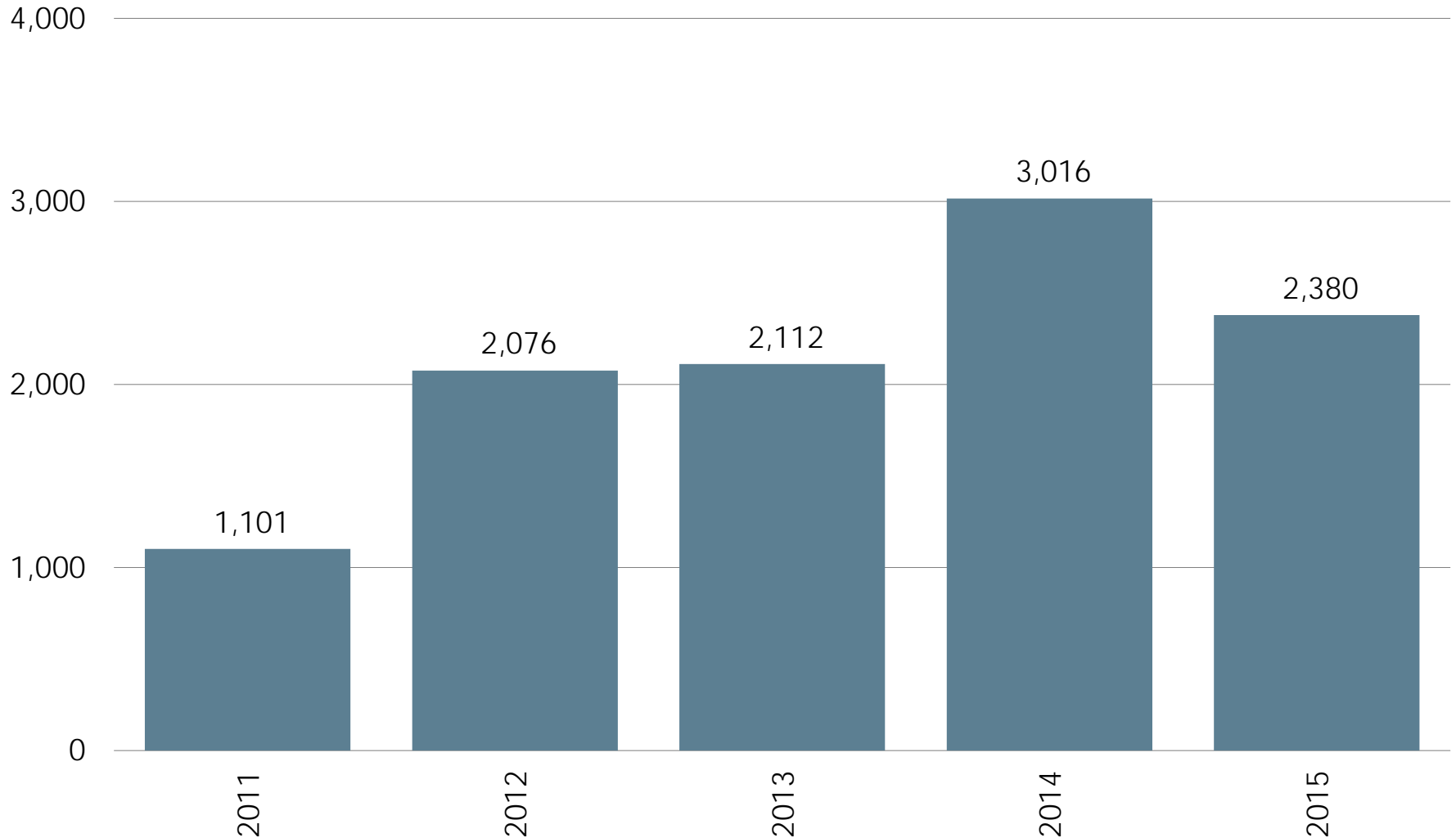
+28,000 OPENINGS
(7,000 each year)



CHANGE IN LABOR FORCE

CHANGE IN LABOR FORCE, FORT COLLINS-LOVELAND MSA

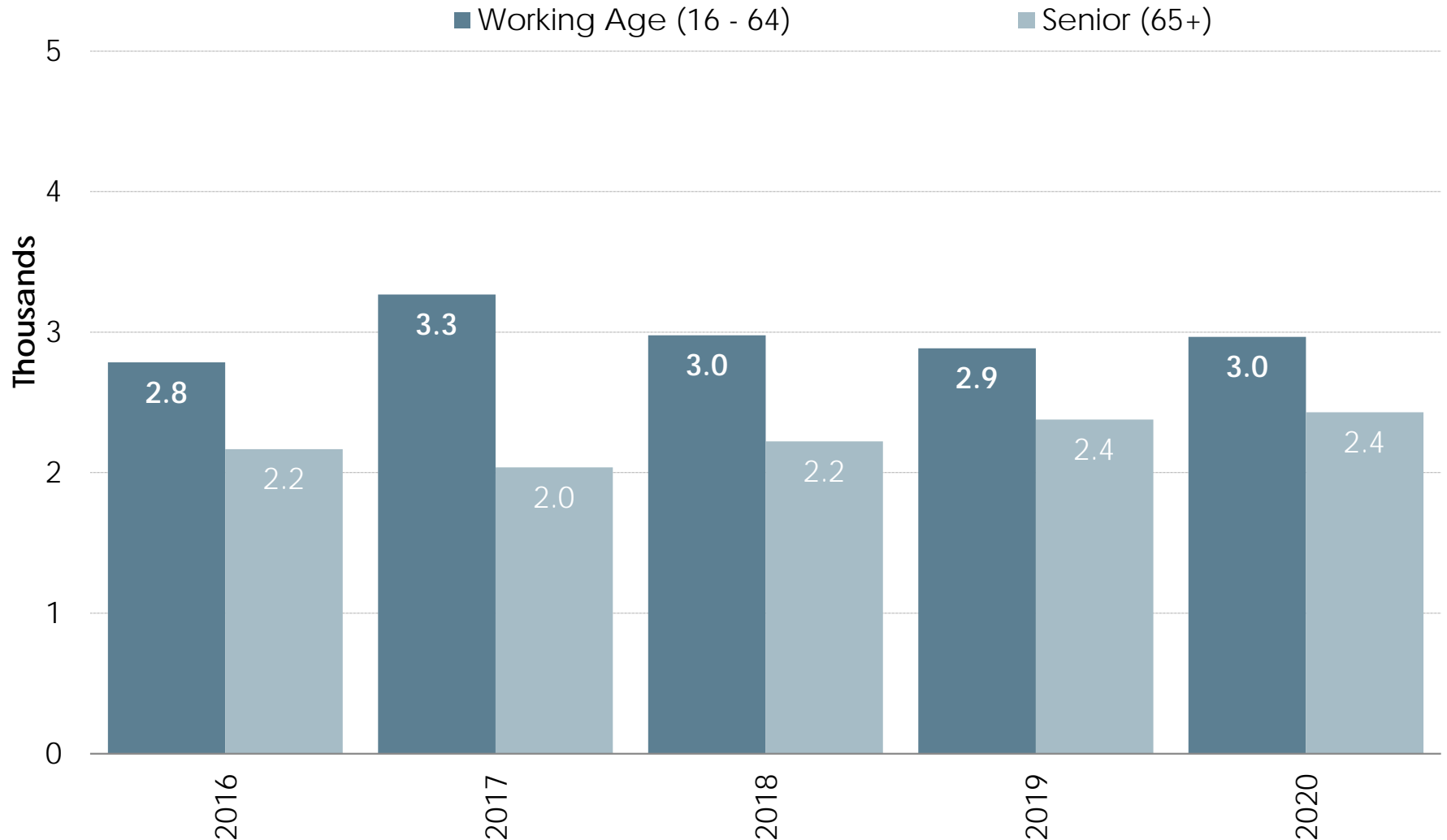
Year-over-year change, #



POPULATION GROWTH

POPULATION PROJECTIONS OF RESIDENTS 16+, BY AGE

YEAR-OVER-YEAR CHANGE, 2015-2020

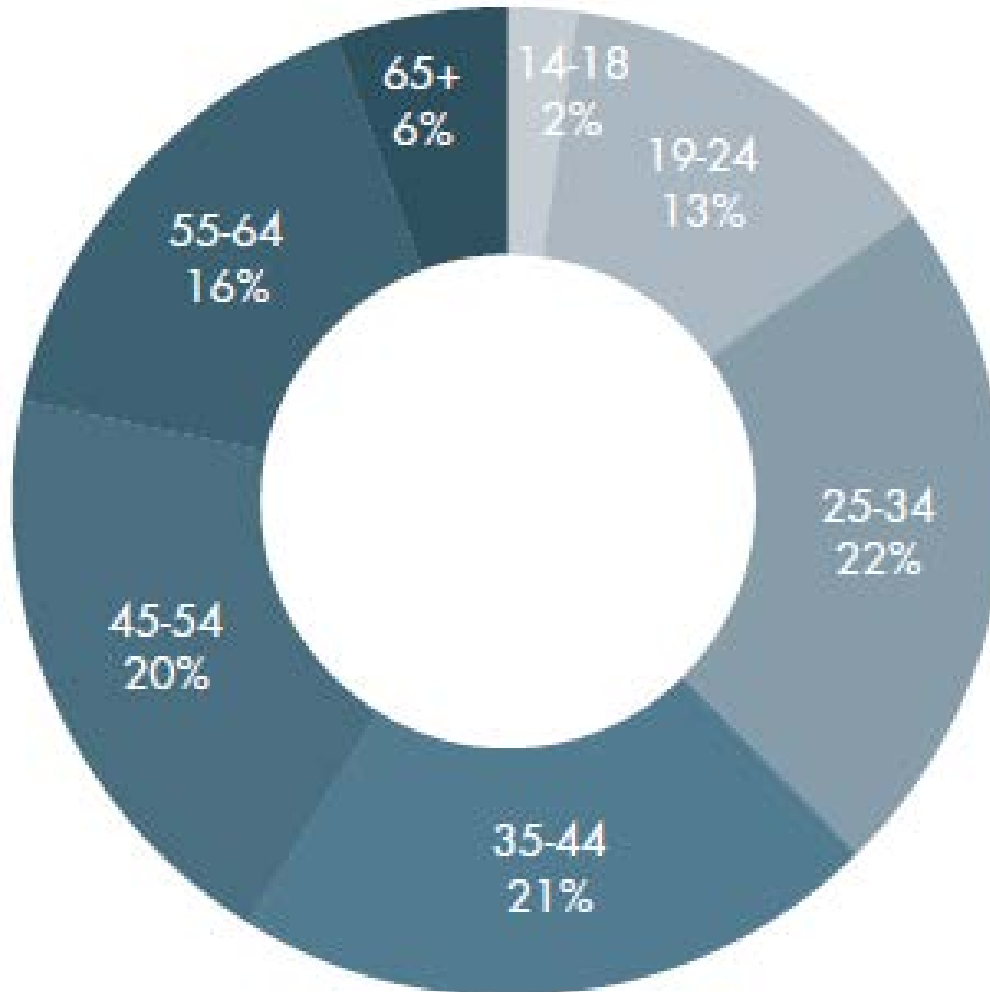


CHALLENGE #3: AGING WORKFORCE

In many key occupations, more than 25% of the workers are 55 or older. With the wave of likely retirements, employers will need to start succession planning now in order to prepare for the loss of those key individuals.

AGING WORKFORCE

AGE DISTRIBUTION OF REGIONAL WORKERS
FORT COLLINS-LOVELAND MSA



TOP MIDDLE SKILL JOBS

		DEMOGRAPHICS	
SOC CODE	DESCRIPTION	% 55+ Years	% 65+ Years
MIDDLE-SKILL <i>(More than high school, less than four years)</i>			
49-9071	Maintenance & Repair Workers, General	27% ◀	7%
29-1141	Registered Nurses	27% ◀	5%
53-3032	Heavy & Tractor-Trailer Truck Drivers	28% ◀	7%
51-9111	Packaging & Filling Machine Workers	15%	2%
49-9041	Industrial Machinery Mechanics	24% ◀	3%
43-3031	Bookkeeping, Accounting, & Auditing Clerks	32% ◀	9%
29-2061	Licensed Practical/ Vocational Nurses	26% ◀	5%
51-4041	Machinists	27% ◀	5%
41-9022	Real Estate Sales Agents	39% ◀	13% ◀
49-1011	First-Line Supvsr., Mechanics, Install, & Repair	27% ◀	4%
11-9141	Property, Real Estate, & Community Assoc. Mgrs.	40% ◀	14% ◀
43-6013	Medical Secretaries	29% ◀	6%
47-4011	Construction & Building Inspectors	38% ◀	11% ◀
51-8031	Water/ W W Treatment Plant Operators	30% ◀	6%
13-2021	Appraisers & Assessors of Real Estate	32% ◀	9%

Sources: EMSI.

TOP HIGH SKILL JOBS

		DEMOGRAPHICS	
SOC CODE	DESCRIPTION	% 55+ Years	% 65+ Years
HIGH SKILL <i>(Four-year degree or above)</i>			
25-1099	Postsecondary Teachers	30% ◀	11% ◀
11-1021	General and Operations Managers	23% ◀	4%
13-2011	Accountants and Auditors	25% ◀	6%
25-2021	Elementary School Teachers, Except Special Education	28% ◀	5%
25-2031	Secondary School Teachers, Except Special and Career/ Technical	28% ◀	5%
13-1111	Management Analysts	38% ◀	12% ◀
25-2022	Middle School Teachers, Except Special and Career/ Technical	28% ◀	5%
25-3099	Teachers and Instructors, All Other	25% ◀	8%
21-1014	Mental Health Counselors	25% ◀	6%
21-2021	Directors, Religious Activities and Education	39% ◀	13% ◀
29-1069	Physicians and Surgeons, All Other	31% ◀	9%
21-2099	Religious Workers, All Other	45% ◀	20% ◀

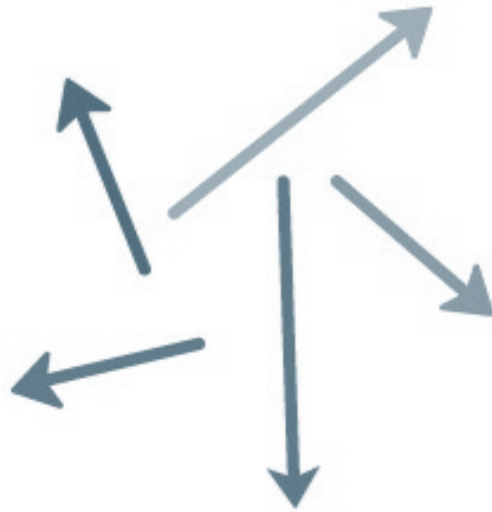
SUMMARY OF FINDINGS

- The current labor market is already strained
 - Demand outstrips supply
 - Mismatch in education & skills
 - Difficult to recruit and retain from outside of the region
 - Structural issues (transportation, childcare & housing) exacerbate recruitment challenges
- The situation is likely to worsen
 - Projected demand still more than supply
 - Aging workforce will create more openings

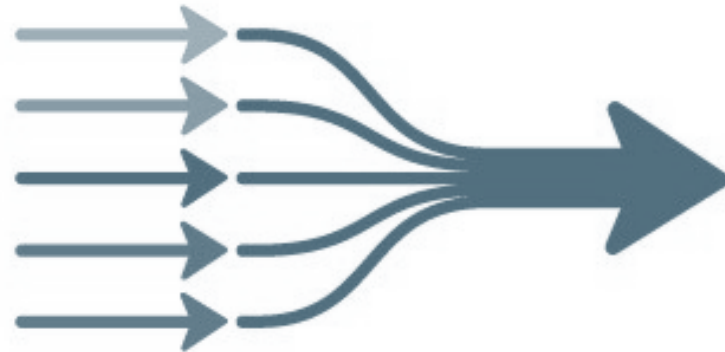
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TALENT 2.0

THE RESPONSE: TALENT 2.0



BEFORE



AFTER

- Sets out a common set of goals and strategies
- Align efforts and resources
- Amplify reach and impact

FRAMEWORK



Access

Actively support employers in finding, attracting, and retaining the talent that they need

Alignment

Align education and workforce resources more closely with business community and the local talent pool

Barriers

Collectively address structural issues that serve as barriers to a secure talent pipeline

INCREASE ACCESS

1. **YOUR PLACE: NORTHERN COLORADO.** Design and launch a talent campaign to support the recruitment of prospective employees to the Fort Collins-Loveland MSA.
2. **LOCAL TALENT.** Help connect regional employers with residents and residents with better economic opportunities.
3. **AWARENESS.** Build greater awareness of the region's job opportunities and strong employment base.
4. **HR BEST PRACTICES.** Coordinate with the Workforce Center, the Northern Colorado Human Resources Association, Mountain States Employers Council, and others to hold workshops on talent management topics for employers and HR professionals.
5. **RETENTION.** Partner with employers to coordinate solutions that address common barriers to talent retention.

THE UNDEREMPLOYMENT PROJECT

- **OUTREACH.** Reach out to underemployed individuals through employers and directly
- **INVENTORY.** Catalog resumes and skills of underemployed
- **COACH.** Provide coaching to these individuals to find better jobs
- **RETRAIN.** Connect them to retraining as needed to align skills to opportunities
- **RE-EMPLOY.** Assist them in finding better opportunities

PLAN FOR SUCCESS(ION)

- **ASSESS.** Invest in tools that can help companies assess their needs and craft a transition strategy
- **EDUCATE.** Hold workshops on topics relevant to succession planning
- **KNOWLEDGE-SHARE.** Create peer working groups that meet quarterly to provide a forum for peers to share information and best practices as well as to work through issues together
- **TRAINING.** Create program to train workers to move up
- **EXPERTISE.** Train or hire an expert that can provide technical assistance one-on-one to companies

IMPROVE ALIGNMENT

1. **BUSINESS ENGAGEMENT.** Streamline business engagement and input mechanisms.
2. **EDUCATION & TRAINING CAPACITY.** Support education and training institutions in strengthening the “home grown” talent pipeline.

SECTOR PARTNERSHIPS

(SUPPORT FOR ESTABLISHED INITIATIVE)

- **SURVEY.** Partner with existing sector organizations to conduct annual employer surveys to document needs in critical occupations
- **ADVISE.** Coordinate with sector partnerships to create a more centralized business advisory function.
- **LAUNCH.** Monitor the needs of other industries, and facilitate the launch of new partnerships as needed.

FRONT RANGE CAREER ACADEMY

(EXPANSION OF CURRENT INITIATIVE)

- **EXPAND.** Enhance FRCC's current high school programs
 - Small learning environment, experiential learning, dual enrollment
- **COLLABORATION.** Foster collaboration between school districts, community college, and key employers
- **ALIGNMENT.** Enhances industry-education alignment and is an asset for talent & business attraction

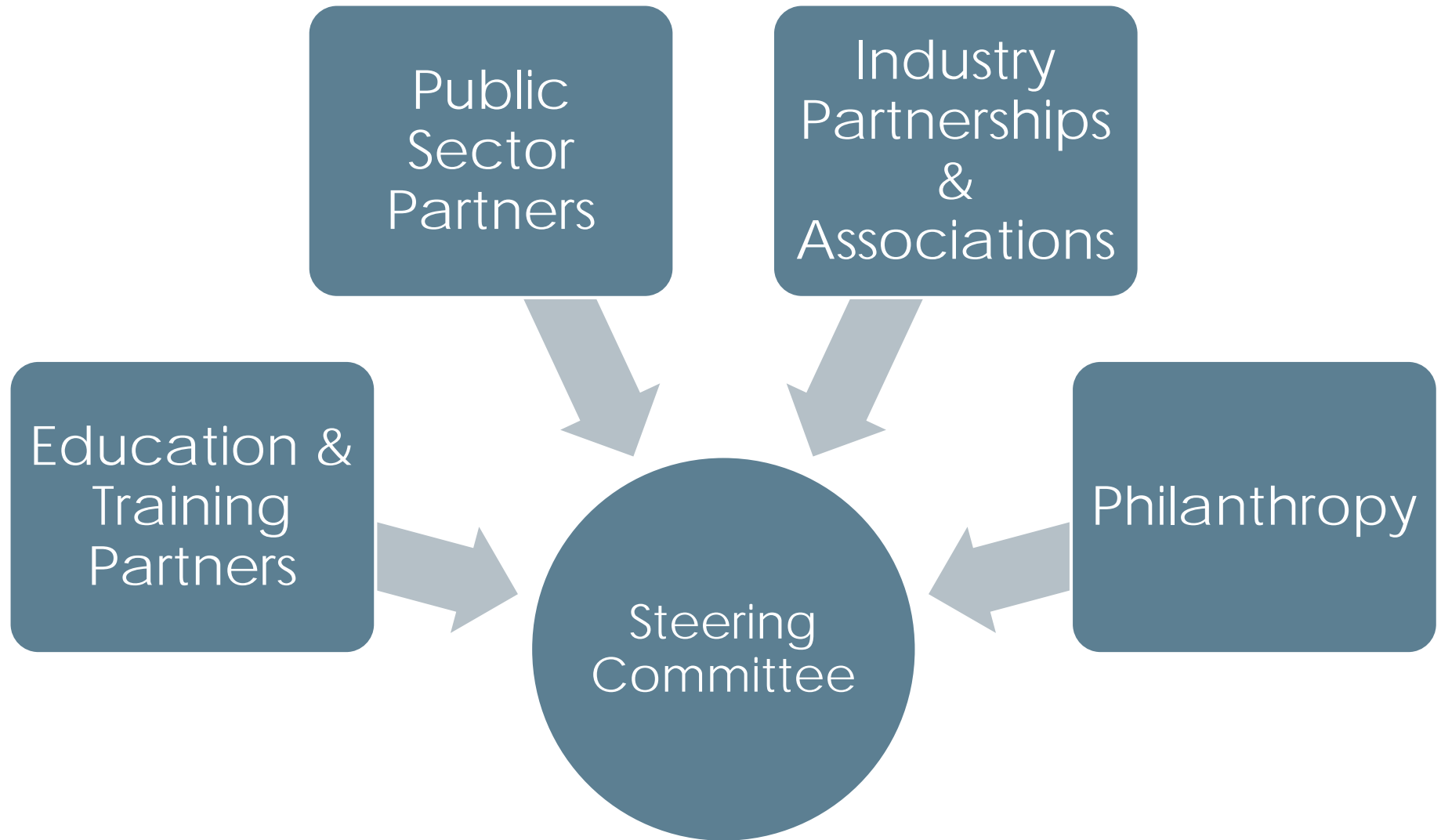
REMOVE BARRIERS

1. **ADVOCATE.** Advocate around key structural issues.
2. **EDUCATE.** Organize a series of symposiums on each topic to educate relevant audiences, generate discussion about possible solutions, and identify a core group of champions that will lead taskforces.
3. **ACHIEVE.** Assemble taskforces of champions and “doers” to move solutions forward.

ADVOCACY

- Continue to advocate for **I-25 Corridor** improvements
- Advocate on behalf of FRCC to secure funding for the **Allied Health School**
- Incorporate **affordable housing** as an issue on the local advocacy agenda

IMPLEMENTATION STRUCTURE



STEERING COMMITTEE ROLES

- Maintain strategic coherence
- Manage fundraising and outreach efforts
- Provide additional project management and support

MEASURING PROGRESS & IMPACT

- **Growth parity:** comparison of employment growth and labor force growth
- **Labor force participation**
- **Unemployment rate**
- **Underemployment:** educational requirements of jobs and educational attainment of workers
- **Workforce efficiency:** the percent of employed residents who live and work in the region
- **Wages:** cost-of-living adjusted wages
- **Income equity:** the ratio of the earnings of the 90th percentile to the 10th percentile



1. Annual wage > \$31,000, or 130% of poverty for a household of 4, as per USDA's requirements for SNAP benefits.

2. Small Business Technology Transfer (STTR) The Small Business Innovation Research (SBIR)

3. As defined by Brookings, industries are advanced if a greater share of their workforce is STEM oriented than the U.S. average (21 percent) and their R&D spending is at least \$450 per worker.



QUESTIONS

THANK YOU



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