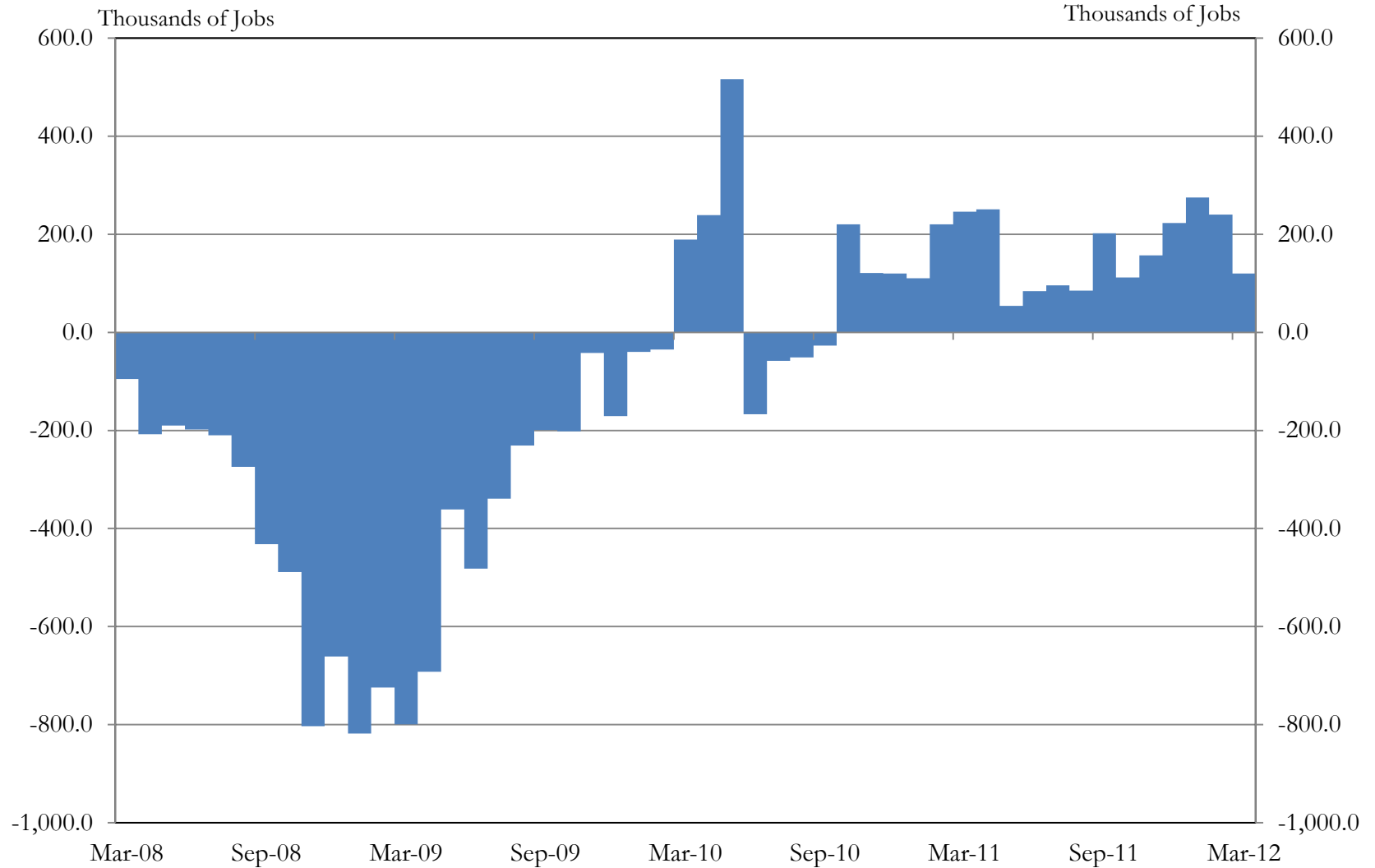


# **Update on the Labor Market and Kansas City Fed Workforce Development Efforts**

U.S. Conference of Mayors  
Workforce Development Council  
Kansas City, MO  
April 12, 2012

Kelly D. Edmiston and Steven Shepelwich

# Employment Growth



Source: U.S. Bureau of Labor Statistics

# The Jobs Deficit

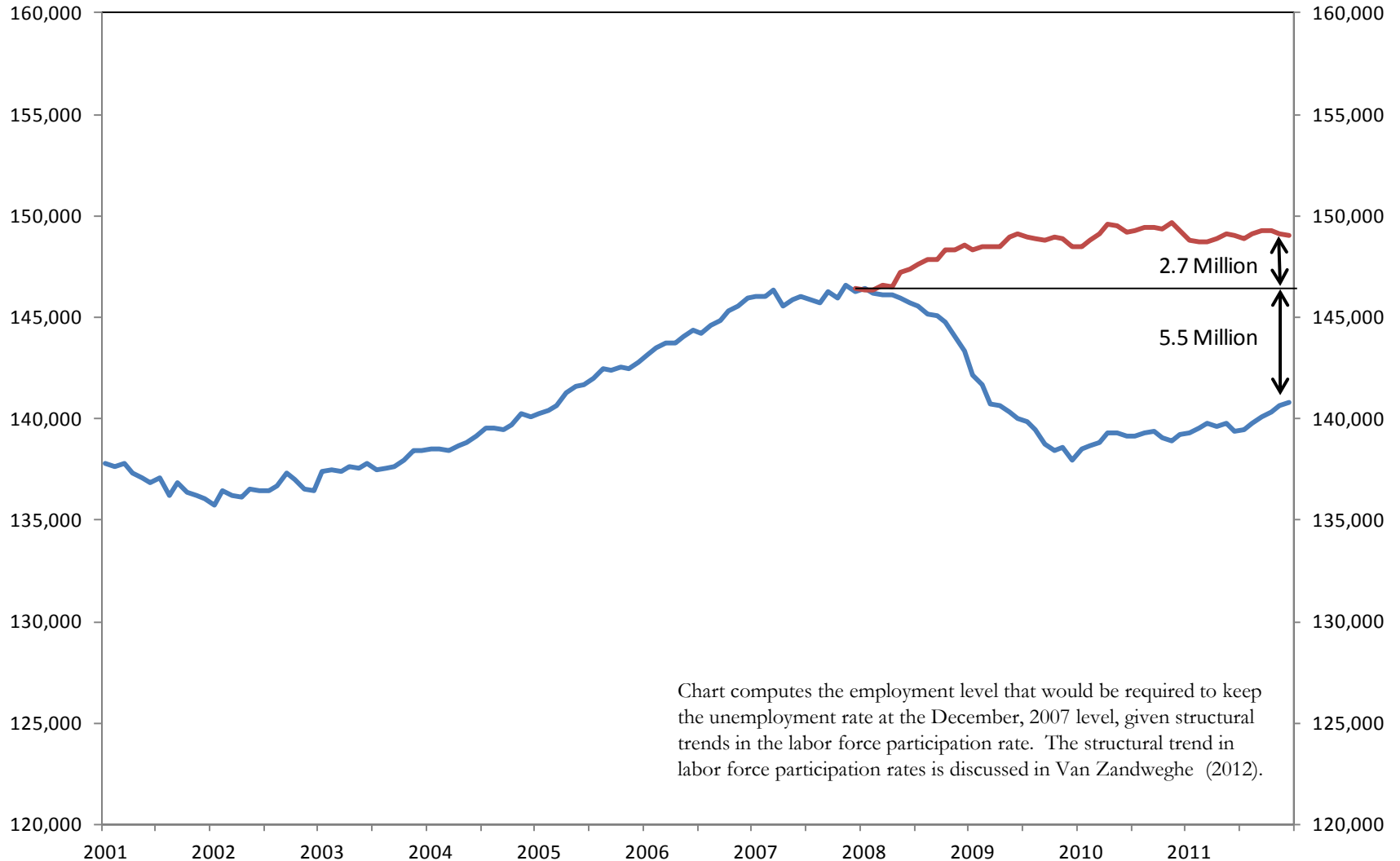
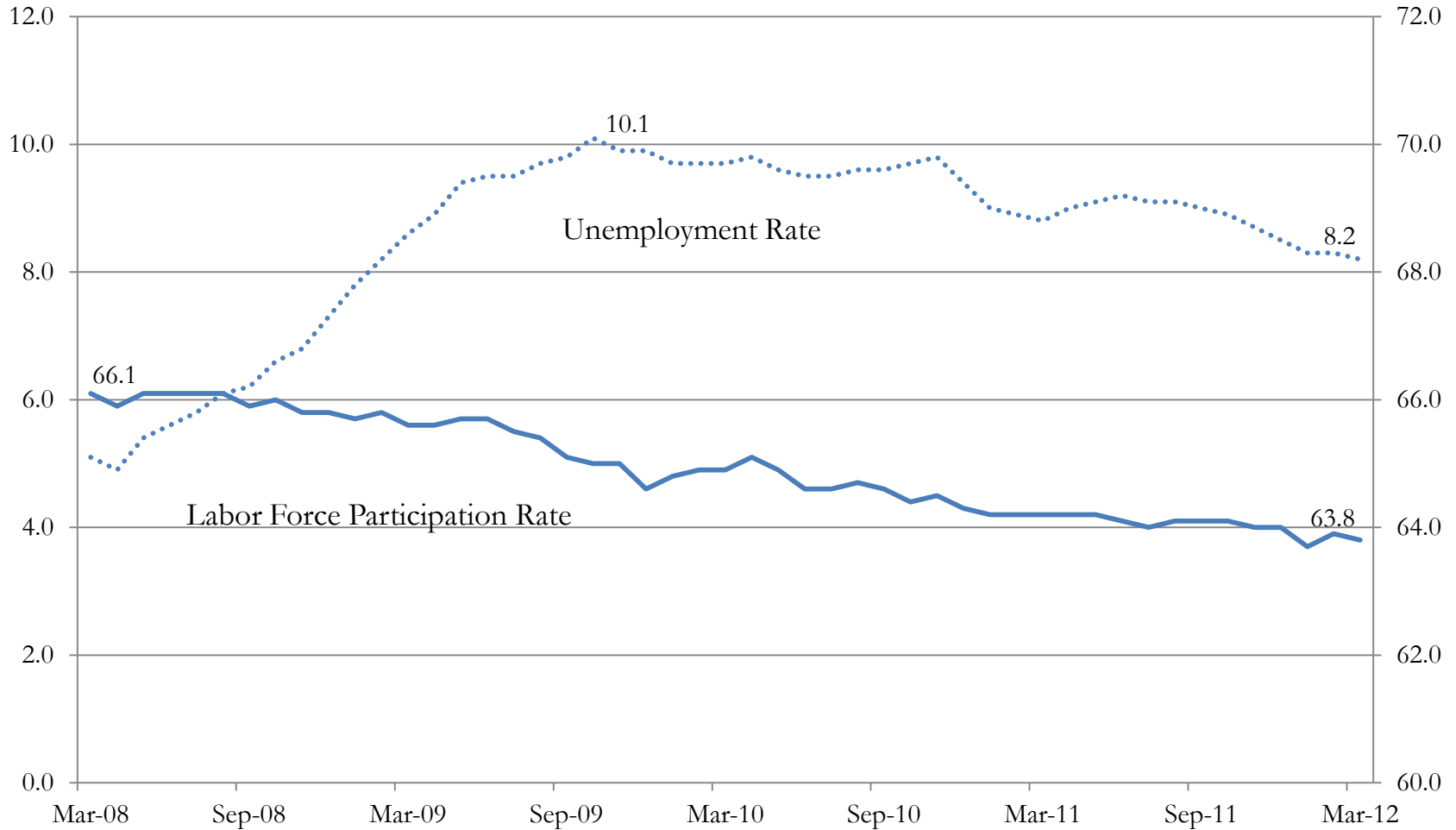


Chart computes the employment level that would be required to keep the unemployment rate at the December, 2007 level, given structural trends in the labor force participation rate. The structural trend in labor force participation rates is discussed in Van Zandweghe (2012).

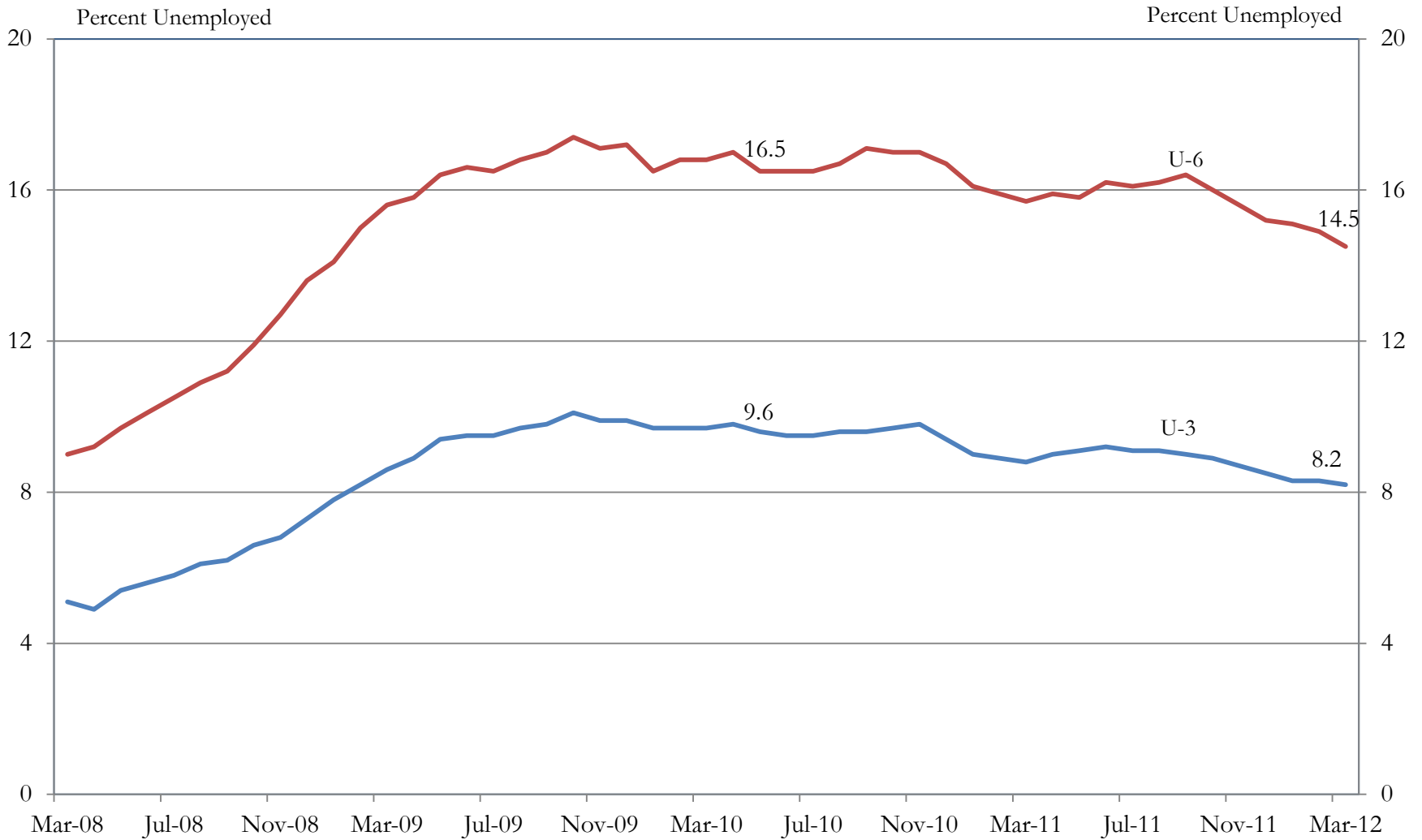
Source: U.S. Bureau of Labor Statistics and the Federal Reserve Bank of Kansas City.

# Unemployment and Labor Force Participation Rates



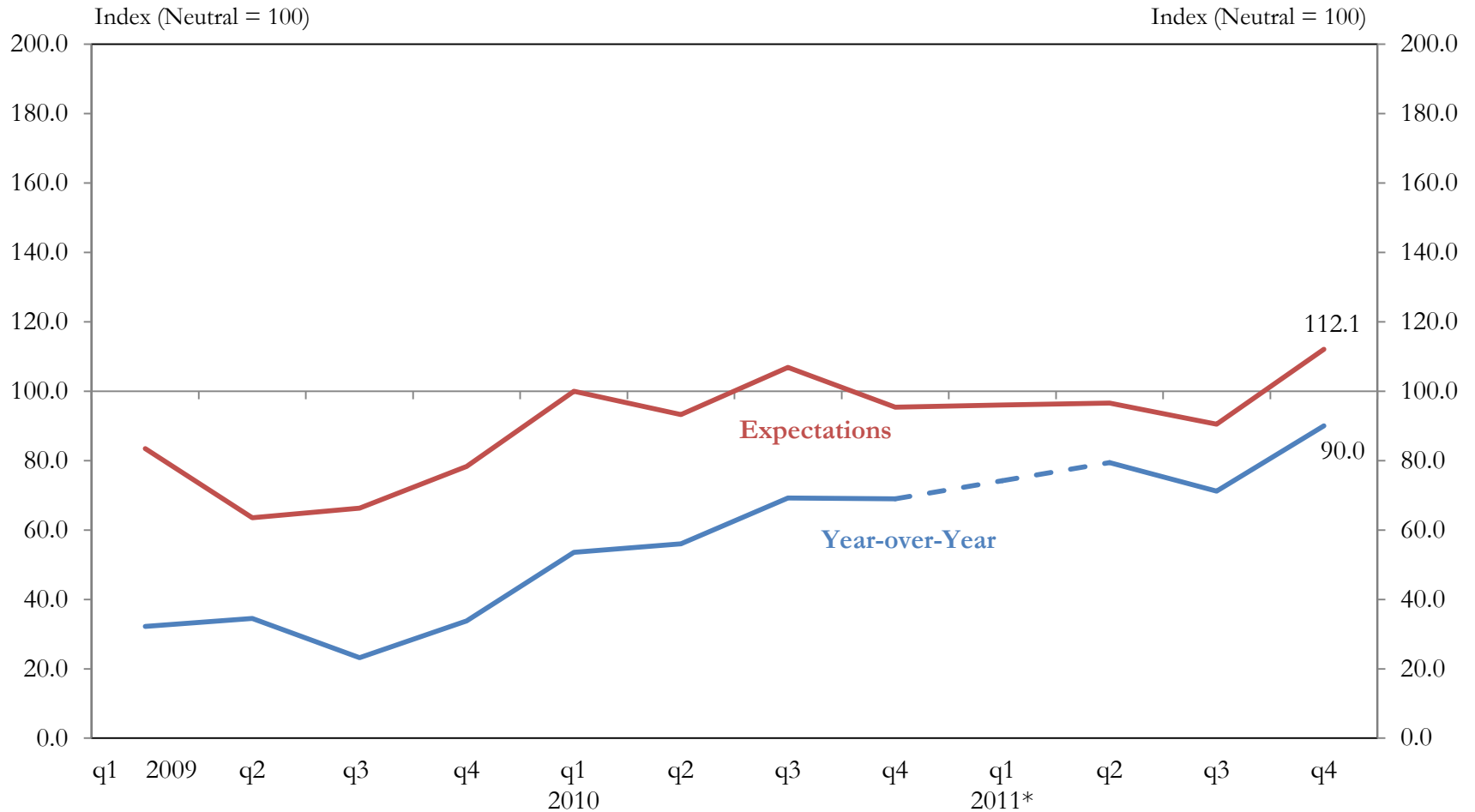
Source: U.S. Bureau of Labor Statistics

# Expanded Unemployment Rate (U.S.)



Source: U.S. Bureau of Labor Statistics

# Low- and Moderate-Income Job Outlook



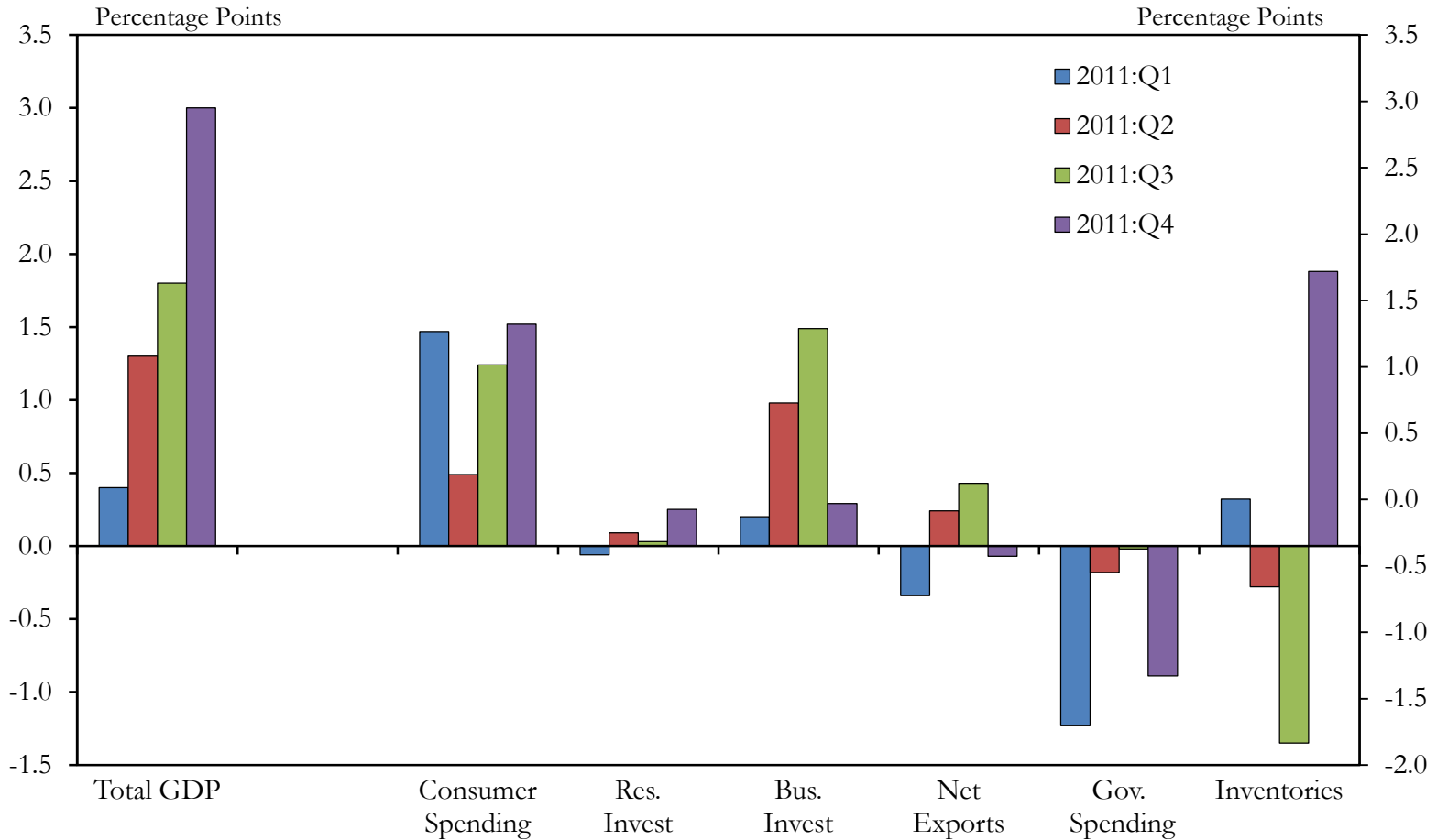
Source: Federal Reserve Bank of Kansas City LMI Survey

# Share of Unemployment that is Long-Term (U.S.)



Source: U.S. Bureau of Labor Statistics

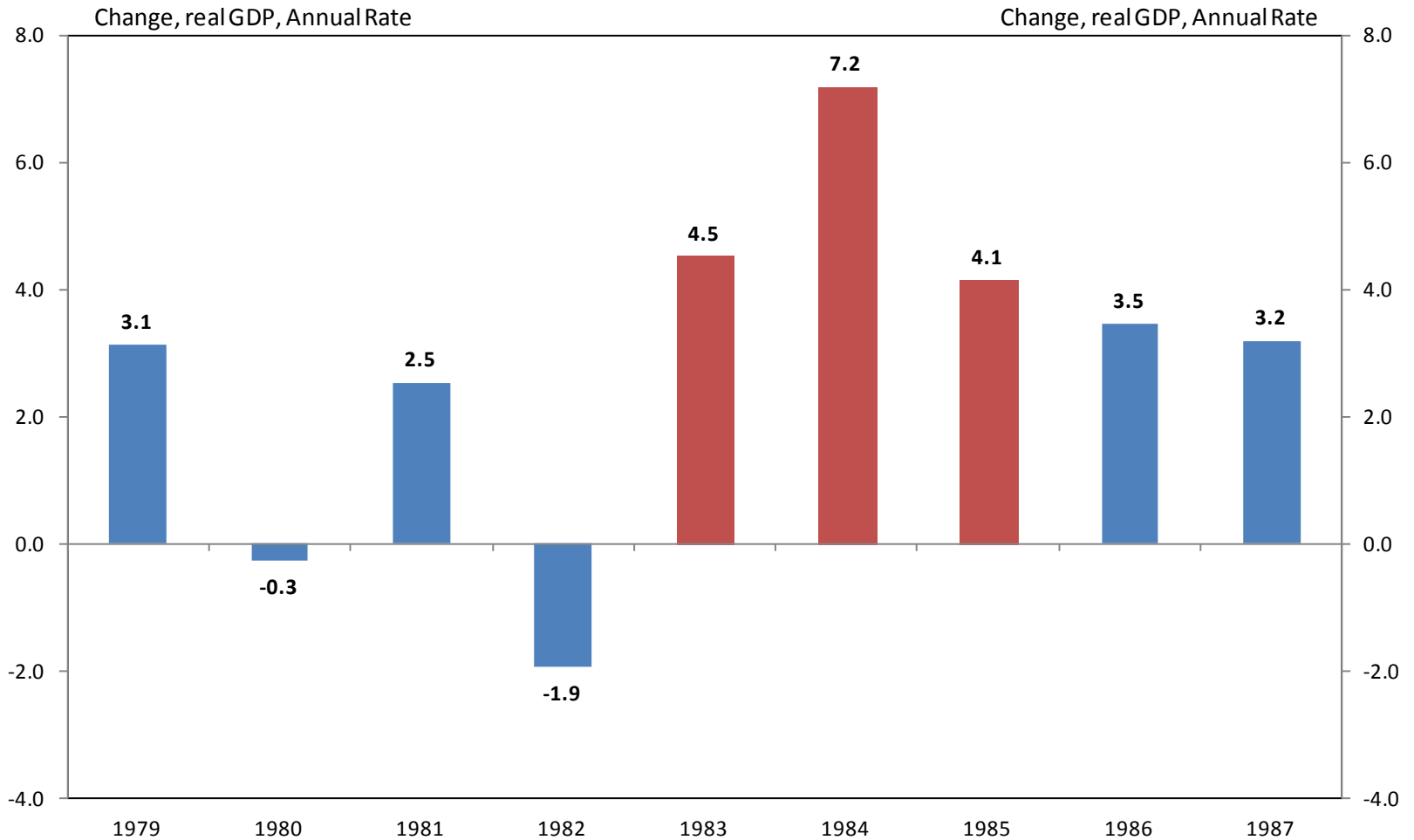
# Contributions to GDP Growth



Source: Bureau of Economic Analysis

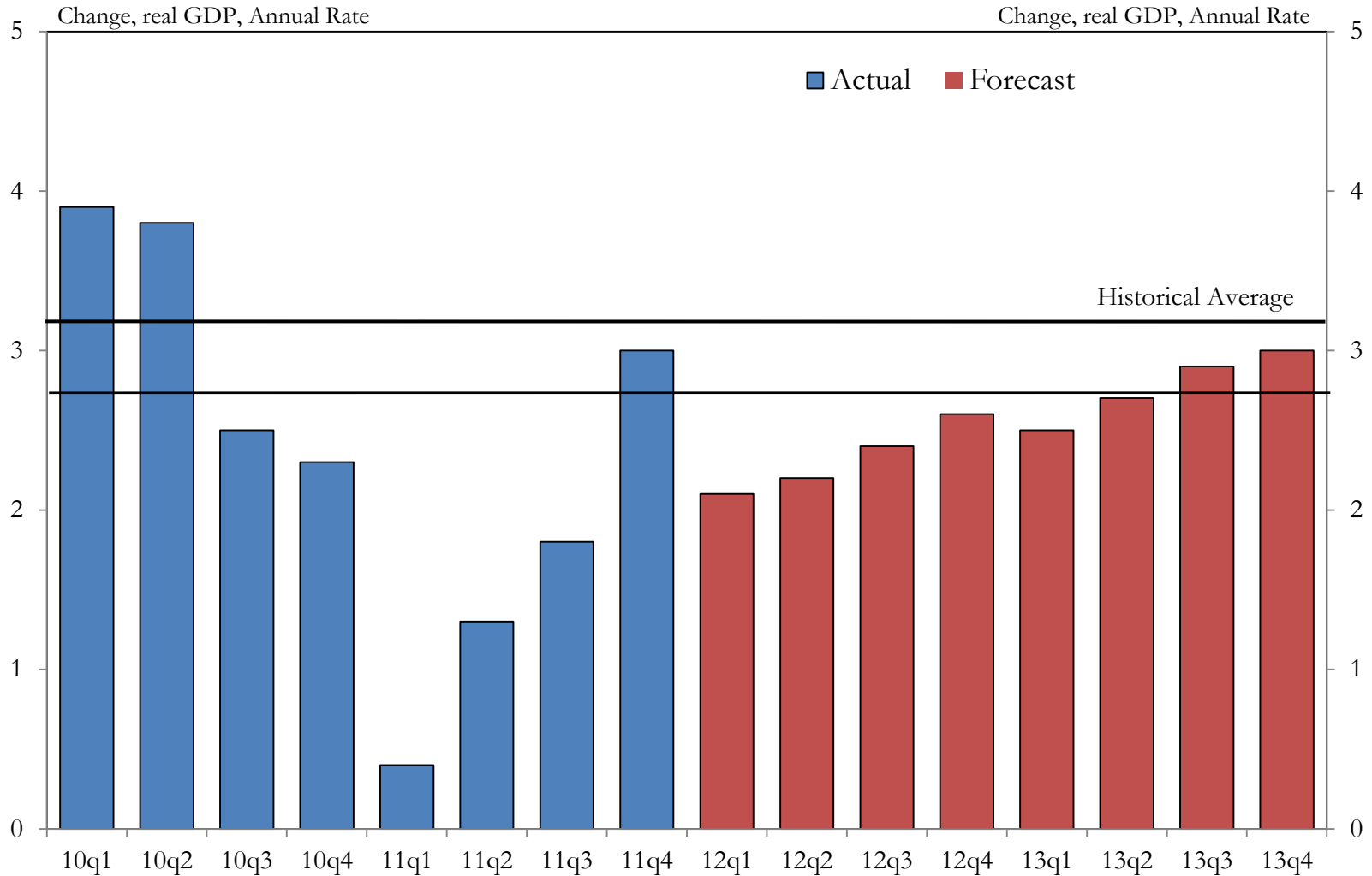


# Typical Recession Path



Source: Bureau of Economic Analysis

# Quarterly GDP Forecasts



Source: Blue Chip Economic Indicators (Apr 2012)

# Consensus Forecasts

	2010	2011	2012F
Real GDP Growth	3.0	1.7	2.3
Unemployment Rate	9.6	8.9	8.2
Consumer Prices	1.6	3.1	2.3

Source: Source: Blue Chip Economic Indicators (Apr 2012); Consensus Forecasts (Mar 2012); U.S. Bureau of Labor Statistics

# Chronic Unemployment & Workforce Development Initiative

- ❑ **System-wide initiative**
- ❑ **Issues of interest**
  - ❑ Characteristics and barriers facing “hard to employ” or “chronically unemployed” populations.
  - ❑ Effects of state and national policies.
  - ❑ Needs, opportunities and practices of workforce programs.
  - ❑ Role of CRA in job creation and workforce development.
- ❑ **Approach**
  - ❑ Regional focus tailored to local issues
  - ❑ Collaboration on key issues and questions
  - ❑ Compilation of Federal Reserve resources and products - [www.frbatlanta.org/chcs](http://www.frbatlanta.org/chcs)
  - ❑ 24 roundtables and events held
- ❑ **Next steps**
  - ❑ Consolidate event summaries
  - ❑ Dissemination strategy

# 10<sup>th</sup> District Roundtables

## Roundtables held through out District

- Diverse stakeholders in Kansas City, Denver, and Omaha
- CRA officers in Albuquerque and Oklahoma City

## Common themes

- Need to clearly define workforce development clients.
- Opportunities for all stakeholders to network and collaborate valued.
- Interest in policies, programs, and strategies addressing:
  - Increased screening scrutiny
  - 'Cliff effect' of means-tested public benefits, esp. child-care
  - Training that is flexible, skills focused and tied to career pathways.
  - Sector approaches to organizing workforce initiatives.
- Role of CRA and how it can be used.

## Next steps

- Brief on roundtable discussions.
- Webinar series addressing issues (*June 21, July 19, Aug. 16*)
- Reviews of programs addressing identified issues.



THE FUTURE OF  
*Workforce Development*

WHERE RESEARCH MEETS PRACTICE  
September 19-20, 2012

- Partnership with Federal Reserve Bank of Atlanta**
- Focus on:**
  - Intersection of research and practice
  - Drivers of change in workforce development needs and practice
- National audience of senior leaders in research, policy, workforce and economic development organizations.**
- Agenda overview**
  - Glen Hiemstra, futurist
  - Dr. Paul Osterman, MIT
  - Concurrent sessions featuring both research and practice
- Contact:** [workforce@kc.frb.org](mailto:workforce@kc.frb.org)



FEDERAL RESERVE BANK *of* KANSAS CITY

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