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WORKFORCE INVESTMENT BOARD

TRWIB, Inc.

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**Annual LED Partners Workshop**

February 1, 2007

**Kelleigh Butler,**

**Research and Planning Coordinator**

Three Rivers Workforce Investment Board

TRWIB, Inc.



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## Core Responsibilities

- Fulfill our *legal obligations* as described by federal and state law and regulation.
- *Collaborate* – Understand business and employer workforce requirements.
- Identify key *public policy issues* that impact job seekers and employers.
- *Communicate and build consensus* for these key public policy issues.



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# Setting and Moving the Workforce Agenda

## TRWIB

- Facilitates strategic workforce planning
  - Analyzes and understands workforce needs
  - Communicates the state of the labor market

### Retain

Human Capital-(Talent) and  
Businesses- Employers

### Match

People and jobs through  
CareerLink and other  
resources

### Prepare/Educate/Train

K-16 and incumbent workers





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## What We Knew

We knew that the region was aging and that:

- Birth Rates are Declining
- People are Living Longer
- People can Retire Earlier
- People can Retire Later

Are the projections about the demographic shifts along with a smaller, leaner, different workforce - accurate?

We don't have the answer, but doing nothing is risky business.



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## Strategic Workforce Planning

Why does it matter?

A workforce projected to be smaller and older presents problems for several policy issues in human services, housing, transportation, healthcare, and workforce development.



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## Why We Did It

We already knew that our region was “old”.

We set out to answer:

- Is SWPA really *that* old?
- Are we getting older?
- Which industries have the oldest workforce?
- Do industries with the oldest workforces have a problem?
- Are these industries addressing the issue?
- What strategies are needed to address the issue?



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## The Final Outcome

- TRWIB has issued the “Managing the Changing Workforce in Southwestern PA” report via the web, the media, and through events with the University of Pittsburgh’s Institute of Politics.
- TRWIB has also issued detailed reports for the “oldest” industries, which include: Mining; Utilities; Petroleum/Coal products; Air Transportation; Primary Metals; and Ground Transportation.
- TRWIB has worked with the Institute of Politics to inform policy makers, employers, educators, community and faith based organizations, and training providers about our aging workforce.



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# Thanks

Special thanks for this study go to:

- The Regional Workforce Collaborative (RWC)
- The United States Census Bureau
- The Center for Workforce and Information Analysis (CWIA)
- Carnegie Mellon University's Center for Economic Development
- University of Pittsburgh's Institute of Politics





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## Follow-up

To view the full “Managing the Changing Workforce in Southwestern Pennsylvania” report please visit [www.trwib.org](http://www.trwib.org)

Please contact us to discuss this study. TRWIB encourages those interested in this study to contact:

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# Greg Lagana

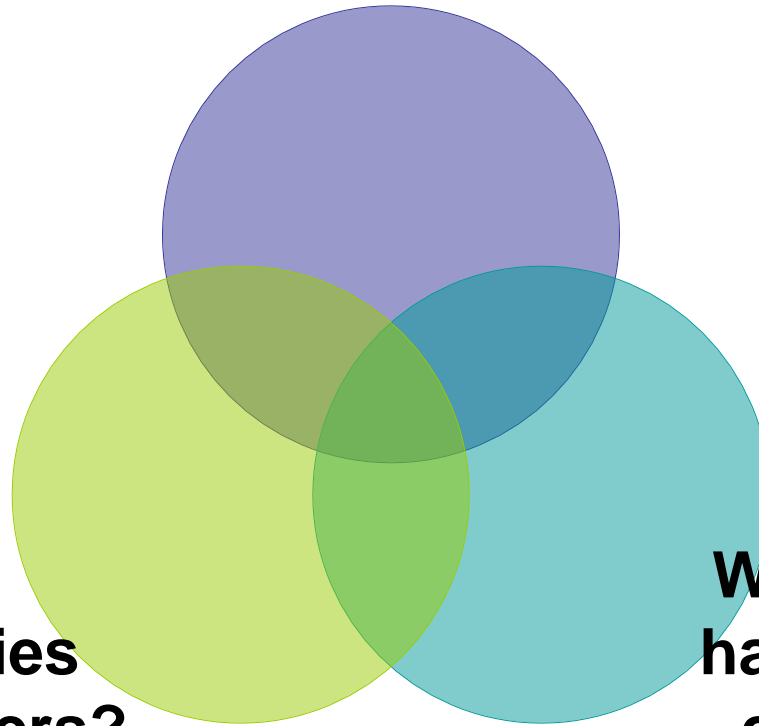
Workforce Research Projects Director



**Carnegie Mellon**  
Center for Economic Development

# Questions QWIs can help answer...

**In which industries do most older workers work?**



**Which industries hire older workers?**

**What industries have the highest concentration of older workers?**

# An approach for an analysis of the aging workforce of a region



# The QWI analysis helped us flag 21 industries as “relatively older.” 14 were mainly private industries

<i>Private Industries</i>	<i>45-54</i>	<i>55-64</i>	<i>65+</i>	<i>EOQE</i>
Mining (except Oil and Gas)	•	•		6,500
Utilities	•	•		10,300
Petroleum and Coal Products Manufacturing	•	•		2,500
Primary Metal Manufacturing	•	•		14,100
Air Transportation	•			9,900
Transportation Equipment Manufacturing		•		2,600
Real Estate			•	10,600
Amusement, Gambling, and Recreation Industries			•	13,600
Miscellaneous Store Retailers			•	8,900
Personal and Laundry Services			•	15,100
Motor Vehicle and Parts Dealers			•	18,300
General Merchandise Stores			•	30,800
Health and Personal Care Stores			•	11,500
Food and Beverage Stores			•	32,700

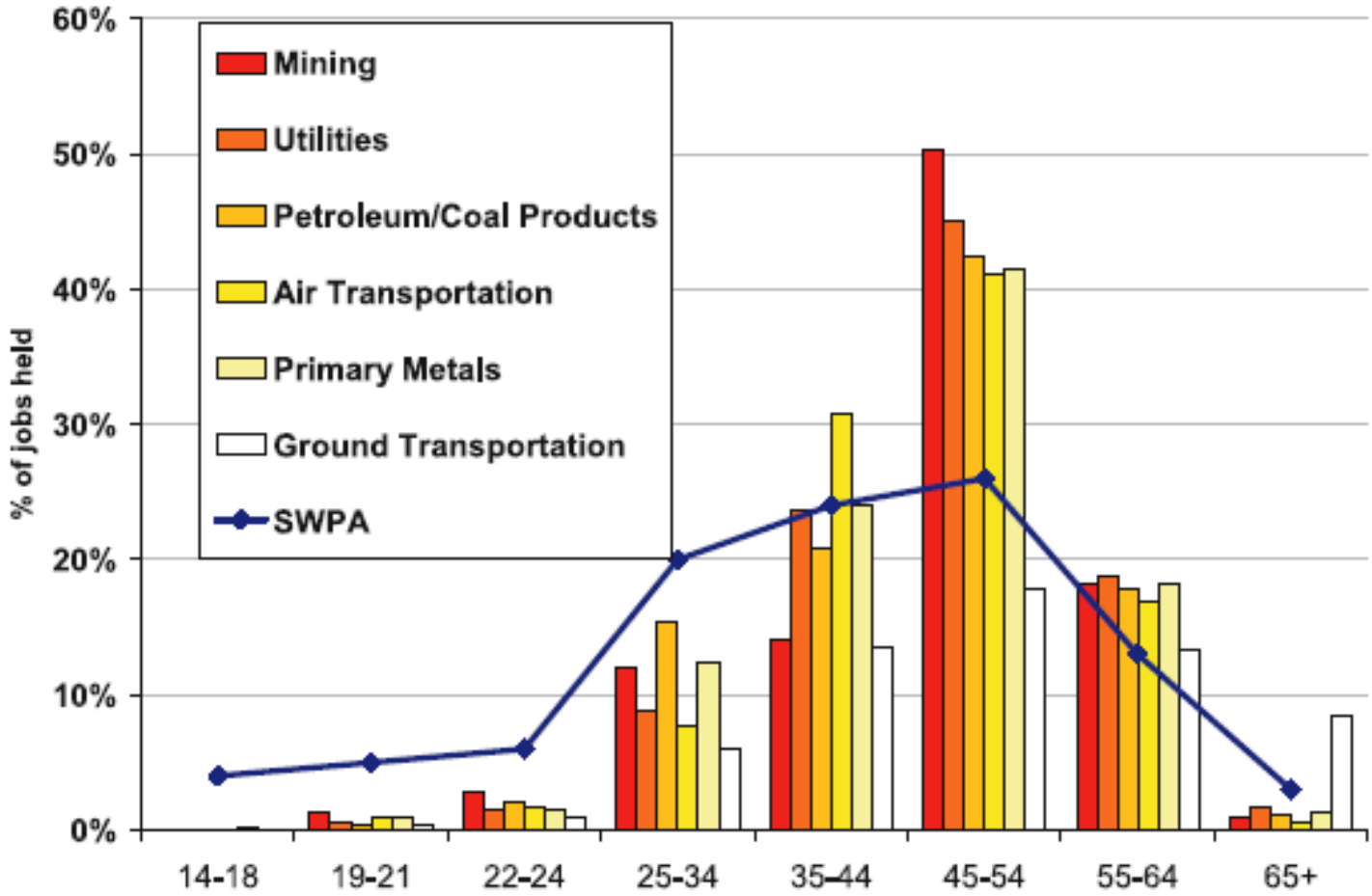


# Our survey attempted to assess whether older industries had a problem, and what they were doing about it

- In the last ten years, has your organization studied the age of its workforce?
- Did the study forecast a future shortfall of workers?
- ...has your organization taken any steps to address a future shortfall of workers?
- ...has your organization identified any types of positions that will be impacted by retirements within the next two (2) years?
- ... does your company use any of the following practices [associated with addressing the problems of an aging workforce]...
- ...to what extent, if any, do you anticipate problems replacing older workers in your company or organization?



# We profiled six economically important older industries to confirm or refute, or detail initial findings, and to learn more about industry response



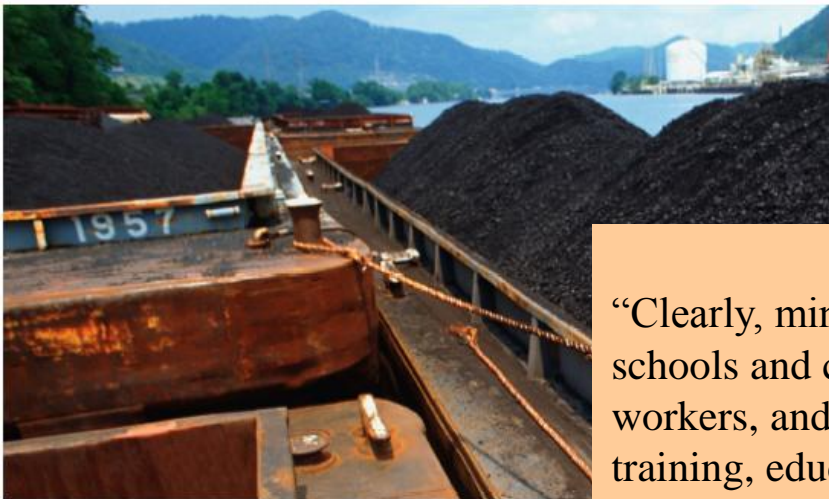
“George Ellis [President of the Pennsylvania Coal Association ] noted that civil mechanical engineers, along with miners with particular state certifications may among be the first types of positions in the mining workforce likely to experience shortages. “



## Managing the Changing Workforce in Southwestern Pennsylvania

A Closer Look at Issues Related to Our Region's Aging Workforce

May 2006



Mining

### Highlights

*Data from the U.S. Census department indicates that:*

- Mining, particularly coal mining, has one of the oldest workforces in the region.
- The region's mining workforce is relatively small, supporting about 6,500 jobs.
- Greene, Washington, Allegheny, and Indiana counties all have sizable older mining workforces.
- Due mostly to coal mining, mining earnings are above the regional average, both for employees and new hires.
- Although net job growth in the industry from 2001 to 2004 was flat, large spikes in growth and loss occurred during this period.
- The industry hired an average of 575 hires per quarter from 2001 to 2004. Many of these hires are actually recalls of workers previously employed with the same firm.
- Although most new (not recalled) hires were in the 45-54 year-old age bracket, the industry hired an increasing percentage of younger new hires from 2001 to 2004.

*Regional economic data and global trends indicate that:*

- Mining has a small, but respectable economic footprint in the region.
- Heightened demand for coal will likely continue in the near future.

*Conversations with related industry associations and academics with special knowledge of the industry,*

“Clearly, mining companies must develop programs to go to local schools and community centers to publicize the demand for young workers, and to draw attention to the attractive offers [financial, training, education, etc.] they can provide to aspiring candidates. While some companies are already doing this, I do not know that this is a common practice.”

Dr. Raja Ramani, Professor Emeritus of the Department of Mining and Geoenvironmental Engineering at Penn State University



# An approach for an analysis of the aging workforce of a region



# We are looking to help replicate the study in a different region. Benefit from our “lessons learned”!



**Contact Vanessa and Greg:**

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# **Vanessa Lund**

Project Director

**University of Pittsburgh**



# Institute *of* Politics

*A forum for public and private decision makers,  
where diverse viewpoints are aired and solutions are explored,  
off the record and on neutral ground*



# Aging Workforce Programming

- Policy Forum
- Roundtables
  - Human Capital
  - Financing Lifelong Learning
  - CEO
- Summary Publication



# June Policy Forum

## Audience

- Leaders from elected office, community, philanthropy, business and education

## Speakers

- Boston College, Workforce Investment Boards (state and local), university continuing education leadership, business advocacy group

## Topics

- Are changes in the age demographics of the workforce a public sector concern?
- Are employers ready?
- Are states ready?
- Are there unique opportunities for new forms of public-private partnership?
- *What kind of programming would advance this topic?*

***November 2006***

# **Human Capital Practices Roundtable**

## **Audience**

- HR Leadership

## **Agenda**

- **Understanding the business case**
  - Labor force shortages
  - Skills shortages
  - Threats to knowledge transfer
  - Competitive advantages
  - Changes in workplace structures and processes
- **Exploring business awareness, actions & barriers**
  - Are employers taking steps to get ready? What are they?
  - Do employers see the aging of the workforce as a vulnerability, a competitive advantage?
  - What are the policy concerns?

*January, 2007*

# Financing Lifelong Learning Roundtable

- **Audience**
  - Workforce Investment Boards, community colleges, higher education, employers, community leaders, philanthropic leaders
- **Featured Speaker**
  - Council for Adult and Experiential Learning
- **Agenda**
  - Highlight policy environment
  - Discuss LiLA+ pilot project



# Interesting Questions

- Micro matters
- Who's in the driver's seat?
- Where's the CEO
- Who is high value?
- Will corporate culture support change?
- How will education respond?
- How do we enhance participation in lifelong learning for those typically left behind?

# Potential Actions

1. **Raising awareness:** providing information to residents *and* businesses, convening events, putting issues on the agenda
2. **Working with employers:** offering recognition, incentives and standards for effective workplaces
3. **Expanding quality resources to older workers and employers:** setting standards for quality, providing funds for services, offering tax reductions to older citizens and employers
4. **Benchmarking progress:** supporting research which measures progress
5. **Modeling employer best practices:** adopting policies and programs that support well-being of state employees across career stages *and* that promote effective delivery of state services

# Importance of Ongoing Programming

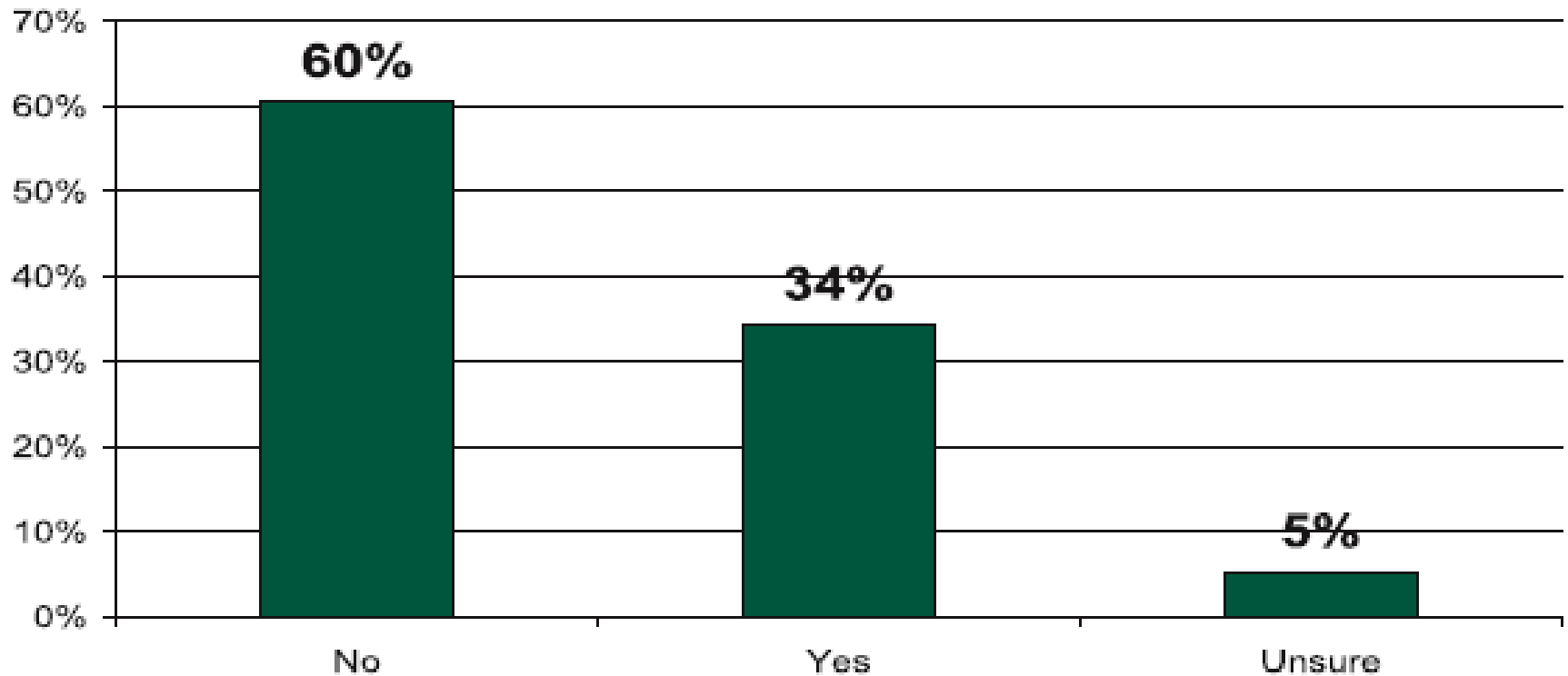
- Takes reports off-the-shelf and into the community
- Exposes people to diverse views in a neutral and safe environment
- Creates networking and outreach opportunities necessary for collaborative solutions
- Inspires research-driven dialogue
- Identifies leadership/partnerships to address issues
- Builds common ground necessary for partnerships in a complex regional, political environment
- Plants seeds. Sparks new thinking and innovation
- Fosters a better understanding of future research needs



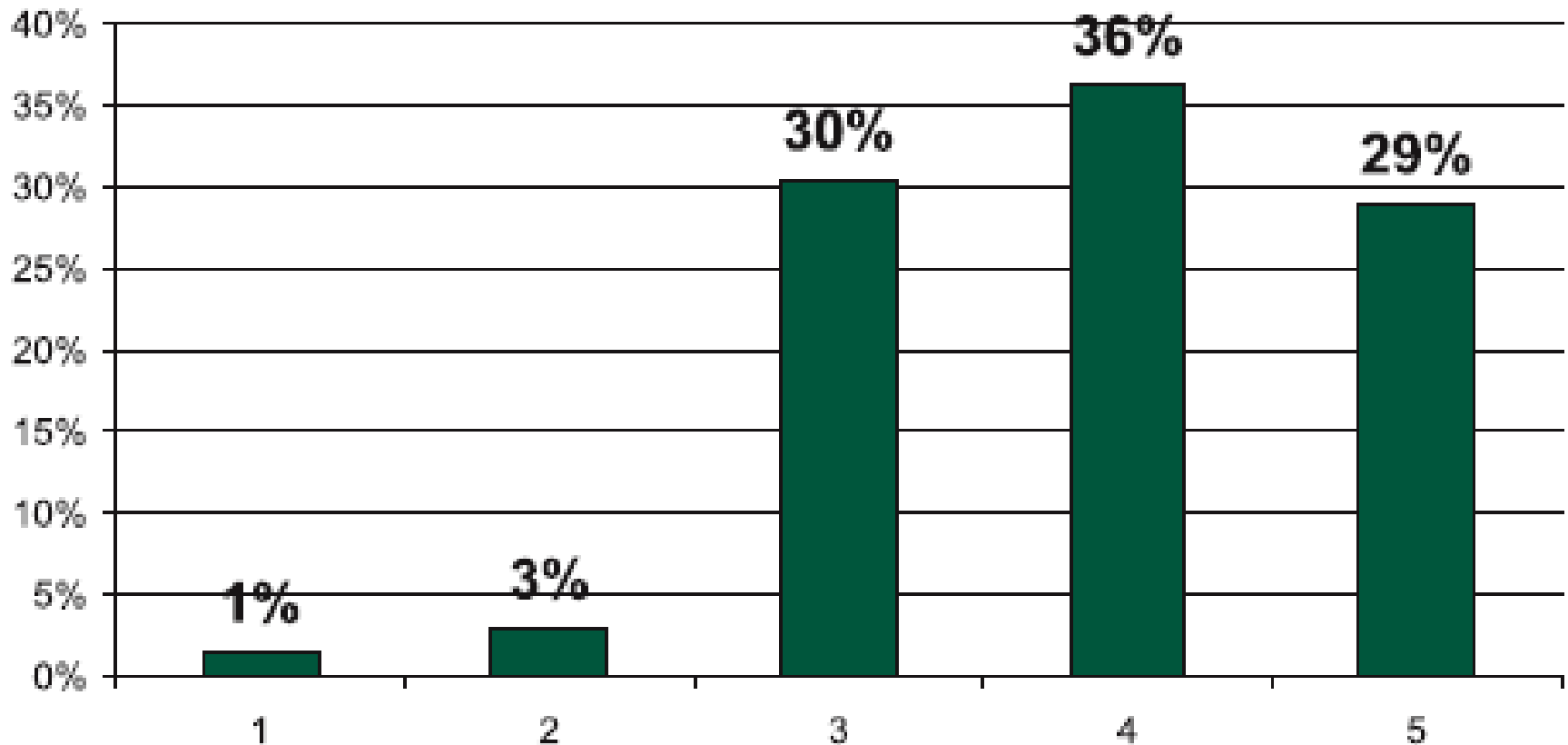
# **Supplemental Slides**

**Data from the Surveys  
Policy and Other Options**

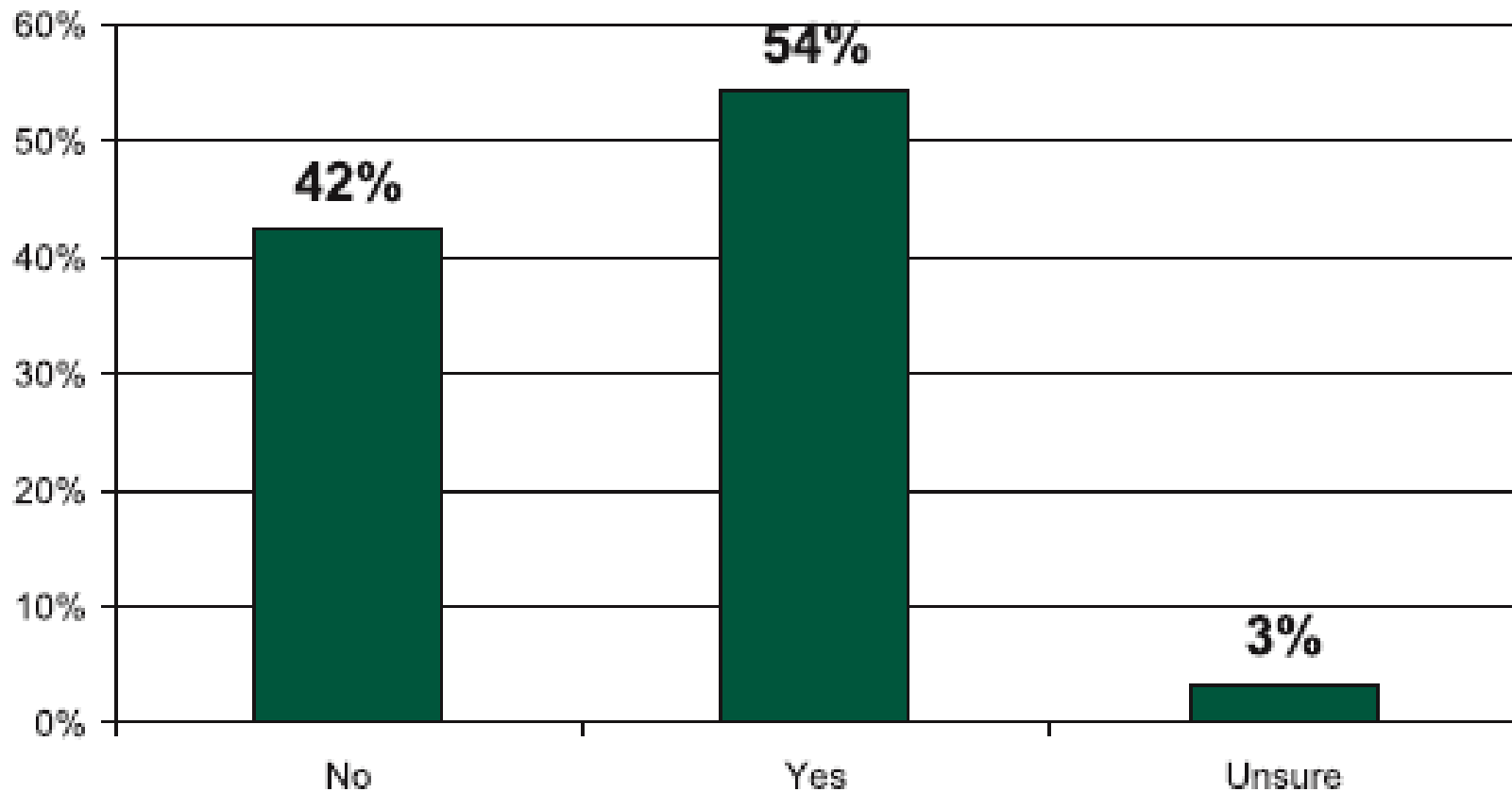
## Q4 In the last ten years, has your organization studied the age of its workforce?



(For each position)  
How serious is the shortfall?  
(1 = not serious, 5 = very serious)

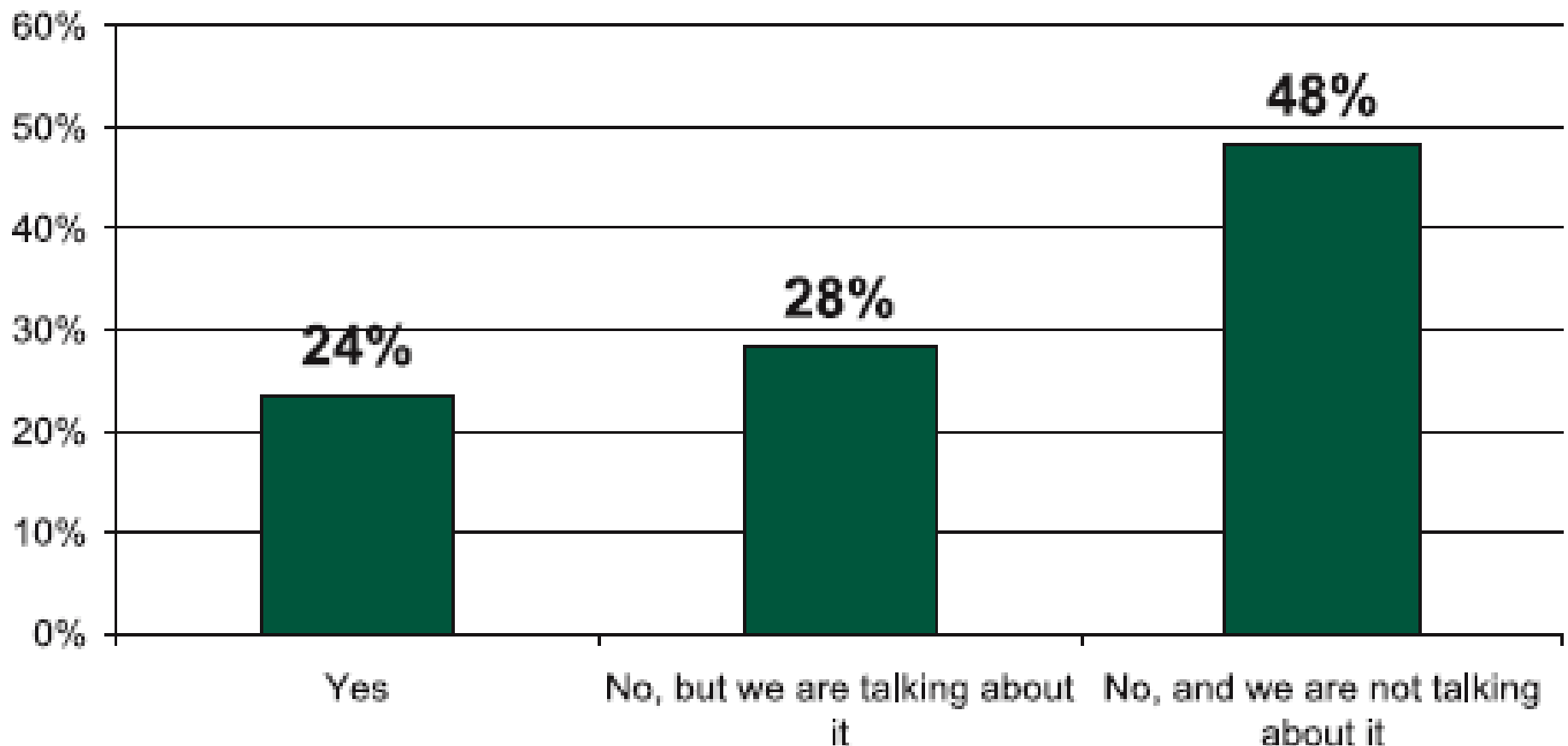


## Q5 (If yes to Q4) did the study forecast a future shortfall of workers?





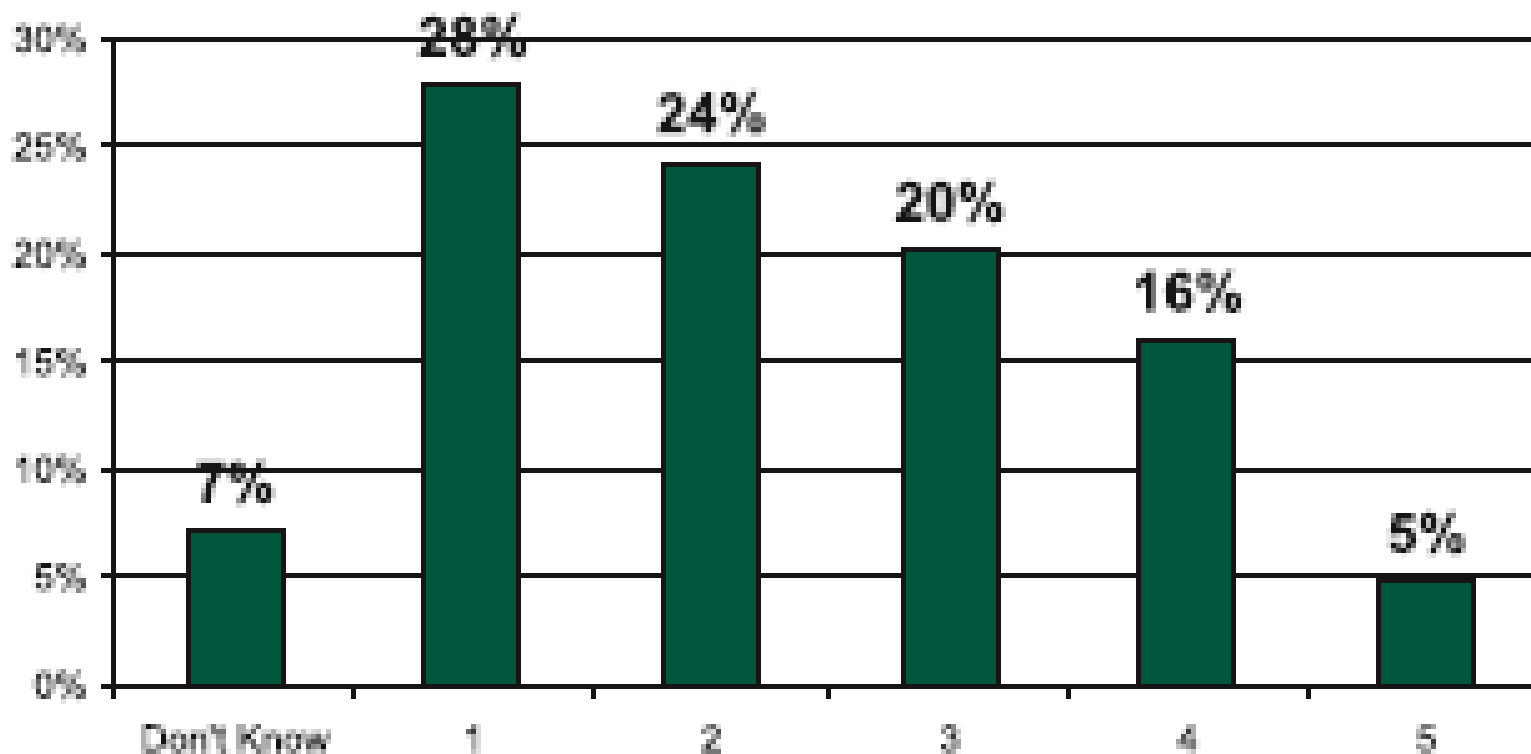
## Q6 Regardless of your answers above, has your organization taken any steps to address a future shortfall of workers?



	<b>We are doing this</b>	<b>We decided against this</b>	<b>We are still considering this</b>	<b>We have not considered this</b>
<b>Older workers mentoring younger workers</b>	54%	1%	15%	29%
<b>Flexible hours</b>	37%	11%	11%	40%
<b>Knowledge management</b>	35%	4%	17%	44%
<b>Working with education/training/workforce institutions</b>	32%	3%	16%	48%
<b>Contracting with retired workers</b>	32%	7%	15%	46%
<b>Increased recruitment and hiring</b>	32%	2%	20%	43%
<b>Participation in efforts that market careers in the industry</b>	27%	5%	11%	54%
<b>Taking steps to make jobs physically more comfortable for older workers</b>	26%	4%	15%	53%
<b>Formal succession plans</b>	25%	3%	32%	40%
<b>Job sharing / phased retirement</b>	24%	7%	17%	50%
<b>Working with job matching and recruitment providers</b>	18%	6%	14%	62%
<b>Modified retirement and pension plans</b>	12%	13%	8%	65%
<b>Telecommuting</b>	11%	20%	6%	60%
<b>Bonuses to forestall retirement</b>	4%	21%	5%	70%
<b>Sabbaticals in lieu of retirement</b>	2%	17%	4%	74%



**Q10 To what extent...do you anticipate  
problems replacing older workers...  
(5 = "Big Problem")**



# Why isn't every firm worried?

- Some are in the dark
- Some are older by design
- Some (think they) can buy their way out.
- Some cannot, and are turning to or thinking of turning to...
  - Technology
  - External workforce development partnerships
  - Ceasing operations! (Small, family owned)

# Policy areas and actions relevant to how employers fill replacement job openings

