

OCL Study Session, March 25, 2014

ProLiteracy conference room, 104 Marcellus St., Syracuse

Attendees: Carol Biesemeyer, Laurie Black, James Branche, Ginny Carmody, Jessica Cohen, Ryan Cummiskey, Corey Driscoll, Suzanne Gilmour, Chris Godleski, David Goodness, Phil Jakes-Johnson, Ava Kerznowski, Peter Knoblock, Robert Leslie, Don MacLaughlin, Melissa Menon, Sarah Merrick, Laura Miller, Brian Moore, Frank Ridzi, Mike Sattler, Honora Spillane, Mary Thompson

OCL: Co-chairs Barbara Carranti and Ben Lockwood; Sandra Barrett; Renée K. Gadoua

Speakers : **Rob Simpson** of CenterState CEO and **Nora Spillane** of Onondaga County Office of Economic Development addressed local economic development plans, anticipated areas of job growth, and labor force needs of current business prospects

Note: See presenters' slides at [2014 Study Presentations](#)

A. Rob Simpson

One of the most important issues facing the community is the misalignment of workforce needs and skills

The underlying misalignment is masked in CNY by high unemployment. As unemployment eases, it will put pressure on employers, trainers, educators.

Recent Brookings analysis of regional economy looks at drivers of economic growth and economic clusters with potential for growth.

Strategies from report relevant to OCL study:

Goals to better connect our workers to employment opportunities to create an opportunity-rich environment.

We have a diverse regional economy: of the 13 sectors here, no one represents more than 9%.

Key finding: strong potential to excel in new technology fields. (Data 2 Decisions)

Look at regional businesses as set of core competences/skills/capacities

Which industries are growing worldwide?

Core industries here represent growth opportunities worldwide: digital electronics, information systems, medical technology, environmental products, thermal and electronic systems, cyber security, biosciences.

CNY needs to grow a globally-influenced and prepared workforce that can adapt to rapid change. U.S. makes up 21% of global middle class; by 2030, U.S. will be only 7% as global middle class grows. As global middle class grows, it offers many business opportunities; we have to be prepared.

Locally, there are 1,600-1,700, high-skilled tech jobs available in CNY. But employers say they can't find people to fill those jobs

There has been some shrinkage of labor pool over last five years.
Remarkable asset in community: higher ed. It's a renewable asset.
Some increase in recent college grads staying here.

Many in-demand majors are STEM-related: clean tech, biomedical, digital and electronic

Employment needs in U.S. are changing. By 2018, 62% of jobs in US will require post-secondary education: This is a huge challenge the region may not be up to.

Re workforce alignment, consider Northside Up's efforts with Green Train and Health Train. Aggregated employer demand to build training to meet demand and create a pipeline for underemployed.

B. Nora Spillane

Goal of county development office: Keep businesses here, grow existing businesses, draw businesses here.

Average county manufacturing wage is \$32,000/year.

Onondaga County high school graduation rate averages 80%.

Some training programs in CNY may not fit needs/be effective.

Region excels in five clusters: clean energy, health/ biomedicine, financial services, agribusiness.

Of 20 leading county employers, wide-ranging fields, but no one industry dominates.

Two populations: new workers and current workers

New workers: high school/GED, associate's or bachelor's degrees; missing soft skills; misperception of workforce; mismatch

Current workers: unemployed or underemployed; need to educate selves on technological advances; availability of financial support; quantity

County development department tries to help businesses train employees, but lack of financial support a barrier to learning new skills.

Population stagnation: incoming refugees vs. outgoing college grads/aging and retiring.

Locally, wages are competitive, but are low on regional or national scale.

Examples: Warehousing and distribution business has 800 jobs, low wage, undesirable work environment, paying \$20,000.

Agribusiness has 100 jobs, attractive work environment, competitive salary at \$30,000.

Two good local programs

SCSD/MACNY/OCC: six-year associate degree program for 50 students a year for six years. (Some details in this Post-Standard story <http://bit.ly/1pBtsX9>)

ESM CNY STEM hub: <http://www.esmschools.org/c21learn.cfm>

B. Discussion

R. Simpson outlined National Fund for Workforce Solutions: philanthropic groups frustrated by lack of coordination in workforce system attempts to create pool of resources with goal of putting educators, workforce leaders, trainers, together to address problem. See <http://www.nfwsolutions.org/>

Syracuse will be a pilot community, partnering with local agencies/stakeholders to improve coordination among stakeholders. Expect local announcement with details in next month or so. Priority will be focus on the unemployed and under-employed and bringing people out of poverty.

Simpson sees solving this issue as critical to region's success: the problem is driven by urban issues. Growing disparity threatens to drive community apart. Success at regional level will be undermined by poverty issues.

Most calls from potential employers considering opening site in CNY go to DOL, CenterStateCEO or County Office of Economic Development. Concerns include: Does CNY have workers, can CNY train workers, wastewater facilities, building stock, transportation.

Most job growth comes from companies already here; 90% of calls are from local companies that want to expand or have trouble retaining workers.

There is an increasing ability to attract and draw people from outside region to come here.

R. Simpson expands on reasons behind 1,600-1,700 open jobs:

Some jobs, such as at Welch Allyn, require rare expertise: deep and narrow technical skills and high-level government security clearance

Major employers have a hard time recruiting from outside, but once workers are here, they stay.

Wages at both high and low end are not competitive. A Clarkson grad in engineering might offered a \$120,000 job in Boston and a \$70,000 job in Syracuse. Despite significantly lower cost of living and other assets in CNY, young workers will often choose job with higher salary.

Employers have a responsibility to raise wages to keep them competitive.

Systemic issue: our workforce/employer interface is convoluted at best. There are so many actors in workforce development that it is difficult for job-seekers, trainers and employers to navigate system efficiently. That interface should be streamlined to make it easy and logical to navigate. **(This may be a recommendation for final report.)**

This may improve with National Fund for Workforce Solution

People are often trained for jobs that don't exist.

Question about the connection between K-12 and businesses. BOCES and ESM do well at paying attention to workforce demands and direct skills training. We can do better.

FM and ESM border each other but are worlds apart in training and priorities.

Region has no inclusive, up-to-date, accessible database for workforce needs. **(This may be a recommendation for final report.)**

Key problem: Employers say they have a hard time finding good people, but there are more unemployed in community than there should be. So where's the disconnect?

Starting wages is not far for what workers are expected to do. College grad with skills offered \$8.50 an hour.

"Pay better and I guarantee there are 250 people in this community who want those jobs," one small business owner said.

Possible reasons employer can't find someone to fill a job: no one exists who can; job is not advertised properly; employer looking myopically at candidate pool

There is a cultural disconnect between work desirability and expectations

It is incumbent upon employers to create backup within company for deep skill set and spend money on training.

Best practices for employers. **(This may be a recommendation in final report.)**

Transportation a real challenge for recent grads who don't have cultural capital to buy a car. South side to East Syracuse for a job is a two-hour commute by bus.

Shuttle systems for employees? Better carpool systems?

Employment centers are not conveniently located on transportation routes.

Visions for Change is addressing this issue.

Two examples of what globalization means locally:

Inficon in East Syracuse sells 70% of its products outside the U.S. Reflects the ability to generate wealth outside of community and bring it back.

Stickley employees represent 37 nationalities. This global perspective shapes the business in different ways and might shape competitiveness

Region has poor interface for job seekers. Sites are often outdated and difficult to access. The state's job postings are especially weak, and this is where anyone receiving unemployment benefits is directed, so it is easy to get discouraged. It should be easy to create a simple, updated, aggregated list. **(Possible recommendation for final report.)**

Do state tax credits for startups work? How is the information distributed and what has happened with program?

D. Bonus notes from March 27 discussion with Frederick Floss, executive director, [Fiscal Policy Institute](http://www.wcny.org/radio/shows/tmr/). (TMR session on "The Minimum Wage Debate" can be heard on WCNY-FM, 91.3, on Sunday at 8:00 p.m. and at: <http://www.wcny.org/radio/shows/tmr/>)

- Apprenticeship programs used to be an important part of the educational system. As unions declined, educators tried to replicate that training in community colleges.
- Traditional apprenticeships provide real incentive for good training: creates a flow of trained workers to do good work and do it safely.
- Programs not as successful through community colleges. Students don't get as many common sense skills.

- Some small companies are doing the training over 6-7 years, the typical time of a traditional apprenticeship.
- BOCES was never intended to be training; it was meant to transition high school juniors and seniors to apprenticeships
- Minimum wage lessons from other countries: When health care and pensions are run by the government, wages can be higher.
- Floss said minimum wage legislation unlikely this year from Congress.
- Trend is chasing job creation, but not job quality.
- Fracking, for example, may not create long-term jobs advocates promise. 500 wells does not bring that many jobs, and they are gone in two years. The community is left with maintaining infrastructure, such as the roads required for industry. The multiplier effect of job creation is often unrealistic.
- Job creation incentives need to be reasonable for small business.
- Tax credit for 18- to 21-year-olds may have unintended consequences.
- Why doesn't the law of supply and demand/inability to find workers lead companies to raise wages? Floss said the market works if you set up ground rules ... it sets up winners and losers.
- Example of shift in priorities of IBM and Endicott from the welfare of the community and the employee to value to the shareholder.
- Productivity and wages are linked, but as productivity goes up, wages do not rise with it. (It was easier in the past to measure productivity.)
- Low high school graduation rates reflect the unequal rate of spending. Given the link between low graduation rates and skills gap, shouldn't businesses support enforcement of CSE suit to equalize school aid?

The schedule for upcoming meetings is as follows:

April 10, Study Committee meeting, 11:30 a.m.-1 p.m. at OCM BOCES, Administration Building CTE panel. Lunch at 11 a.m.; optional tour.

April 22, Study Committee meeting, 11:30 a.m.- 1 p.m. at ProLiteracy with employer panel.

April 24, TMR, 8:15-9:15 a.m. at Drumlins with Jenn O'Connor of America's Edge, CNY Skills Gap report.

May 8, Study Committee meeting, 11:30 a.m.- 1 p.m. at ProLiteracy with unemployed/underemployed panel.

May 20, Study Committee meeting, 11:30 a.m.- 1 p.m. at ProLiteracy, topic TBD.

Submitted by Renée K. Gadoua, study writer