Workforce Development in the Midwestern Region

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The nationwide labor shortage that accompanied a decade of economic expansion has brought attention to the need for improved workforce development systems and investment. Even with a currently sluggish economy, the recent spate of layoffs and news of increasing unemployment rates, the shortage of workers possessing more sophisticated levels of knowledge and skills remains.

Without a well-trained and well-prepared labor pool, states and businesses lose the ability to compete nationally and internationally—and suffer economically. As a result, states are finding themselves in a “skills race” to create, recruit and retain workers able to perform in increasingly technological workplaces. This is a race in which policymakers in the Midwest realize they need to win. With this understanding, a group of Midwestern legislators, executive agency officials, education leaders and private sector representatives gathered in Chicago in November 2000 to discuss the creation and maintenance of a well-prepared workforce.

During the two-day Midwestern Workforce Development Policy Forum hosted by the Midwestern Legislative Conference’s Economic Development Committee, participants discussed developing the region’s workforce and the challenges associated with ensuring that their state’s job training and education programs keep pace with changing demographics and new technologies. In addition to addressing the broad areas of labor market trends in the region, the role of education in workforce development and an assessment of the 1998 Workforce Investment Act (WIA), the policy forum also covered a number of specific issue areas ranging from the widening skills gap to recruitment and retention incentives. The dialogue highlighted current and future strategies for addressing labor market and workforce challenges facing the region’s policymakers.

From the forum’s discussions, several recurring themes emerged: the need to forge partnerships between government officials, education leaders and the business community; the need to reassess an educational and employment system biased toward four-year college degrees; the need to improve the status of vocational and technical training; and the need to address the challenges resulting from demographic shifts and the changes in new technologies and industrial capacity.

Recognizing that the business community has a role in defining workforce skills, participants highlighted the importance of forging partnerships among government officials, education leaders and the business community. To ensure that worker skills match labor market demand, policymakers need to pay attention to the needs of employers when developing training programs. Other ways to involve the business community include: increasing the utilization of apprenticeships; including business representatives on school boards; emphasizing quantitative and technological skills in high school mentoring programs; and enhancing the curriculum for teaching technology.

The forum’s participants were concerned with improving the system to guarantee that young people receive the best guidance and support in making career and post-secondary education decisions for a lifetime of gainful employment. An effective workforce development system requires an improved K-12 curriculum that focuses on basic and quantitative skill development. All parties agreed that schools must be held to high standards, and that education must focus on realistic career and work preparation. They also advocated policies that bridge education and training and incorporate the “real” world of work and skill-based knowledge in an applied context, as well as emphasizing lifelong learning. Also, educators and counselors, in partnership with the business community, need to become better at skills-assessment — both of the skills workers and potential workers possess and the skills needed in the current labor market. Once these are determined, effective investment in job preparation can be made.

Participants questioned the near-universal acceptance of a four-year college degree as the best path to employment success. Recent studies show that the majority of good-paying jobs in the future will not require a four-year college degree. Instead, they will require some form of additional training or education, such as an associate’s degree or a technical training certificate. Policymakers and educators need
to define and market a message that highlights this reality and that values and respects all types of work and education.

Other education policy priorities supported by the policy forum include addressing the dilemma of improved education funding, emphasizing individual performance and knowledge over paper credentials, correcting the current lack of portability of academic standards and credentials, along with a reassessment of teacher pay, training and accreditation, and providing realistic information and assessments in career preparation for young people and their parents.

States in the Midwestern region are faced with unique challenges as a result of location and changing demographics. Unemployment rates for the region lagged behind that of the nation, and Midwestern states’ population growth was 5.9 percent between 1990-1999—well below the national average of 9.6 percent. Further, the Midwest is losing workers as the nation’s population is shifting to the South and the West; out-migration is particularly acute among the most highly educated and skilled young. The Midwest also has a greater share of baby boomers relative to its total population. As this group of workers reaches retirement age, if current trends hold, there will not be a sufficient supply of young workers to fill open positions, and the region will not be capable of supporting its current level of industry.

In order to recruit new, qualified workers, Midwestern states are turning to the non-indigenous workforce and are starting to target worker migration from outside the Midwest and from foreign immigration. This is especially crucial for the more rural Midwestern states, where the viability of some towns may be dependent on maintaining or regaining population levels and an adequate labor supply. State agencies have begun campaigns to encourage young residents to stay in the state and to lure former residents back home, and some have begun campaigns to encourage immigrants to settle within their borders. Within these recruitment strategies, state leaders need to encourage policies to assist their communities with “new immigrants,” to explore the impact of interstate migration and the influx of new immigrants, to focus on retention and attraction of workers, and to address quality of life issues.

The creation of labor market information and data systems that can access a wide range of employment information is also important in workforce development. On-line systems can provide data on salary levels, worker availability, wage data, education about job opportunities and growing occupational fields. In addition to linking workers to jobs, such databases assist employers in recruitment efforts and inform educators and students about job opportunities. Possibly the most important function these systems can serve is their utilization in understanding how jobs are created and formed, how labor demand arises, how specific knowledge and skills are connected to the job market and how employment supply and demand cycles operate.

Along with the policy priorities identified through the policy forum, almost every state in the region has undertaken some form of study to examine its labor shortage and employment base, with the intent of better crafting its workforce development system to meet the specific strengths and needs of the state economy. The continued integration of workforce development, economic development and social service programs, along with agency mergers, will continue as state officials strive to eliminate duplication of efforts and to streamline the gamut of workforce and economic development programs.

The fortunes of individuals are tied to the collective success or failure of the overall economy, and the states best able to create and retain a skilled and educated labor force will be the most economically successful. In order to succeed, states will need to focus future workforce development efforts on education, emphasizing job preparedness, basic academic and problem-solving skills and life-long learning. Perhaps one of the most hotly debated issues of workforce development will be the philosophical shift away from encouraging all students to be college-bound, and the resulting shift in school curricula and the allocation of education dollars. States will restructure their workforce development systems as they respond to and implement the framework provided by the federal Workforce Investment Act of 1998. Its reliance on state and local investment boards and its inclusion of the private sector in the planning and implementation stages may help to strengthen ties between government and business in addressing workforce and training challenges. And, as policymakers increasingly view state economic fortunes as tied to the quality of their workforce, we will continue to witness a redirection of resources from “smokestack chasing” to “people chasing” and further investment in the capacity of individuals to adapt and thrive in the New Economy.

Bio

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