

Restoring Our Prosperity

The State Role in Revitalizing
Ohio's Core Communities



Human capital development is a supply chain management issue





DATA INTELLIGENCE SYSTEM

Demand signals, forecasts, inventory, delivery, logical partners

SUPPLY	PRODUCTION LINE	DEMAND
Workers, Students	Education, Training, Workforce Dev., Intermediaries	Employers
COST BENEFIT ANALYSIS		

The supply chain is malfunctioning

Supply Side Challenges:

-  We cannot ignore the low skill worker. Ohio has as many low-skill adults right now in the workforce as the next **10** years of graduating high school classes combined.
-  Population projections for Ohioans age 15-24 will decline from the year 2010 to 2030.
-  “More than 2.1 million Ohio adults—nearly half of the state’s prime working-age population—hold a high school degree or less” (CRP, 2008).
-  Nearly 1.5 million of Ohio’s 5.9 million people in the labor force meet the definition of “working poor” (CRP, 2008).

The challenge is to meet employer demand for qualified workers

Demand Side Challenges:

	Employment			Percent Change	
	2002	2008	2017	2002-2008	2008-2017
Advanced Industries	2,202,526	2,268,357	2,354,624	3.0%	3.8%
Semi-Traditional Industries	1,104,480	1,079,334	1,086,072	-2.3%	0.6%
Traditional Industries	381,916	364,150	365,027	-4.7%	0.2%

Source: Wright State University, 2008








Growth is in advanced industries.



64% of new jobs to 2014 will require some college, associate's, or bachelor's degree.

Production line flaws inhibit supply and demand alignment

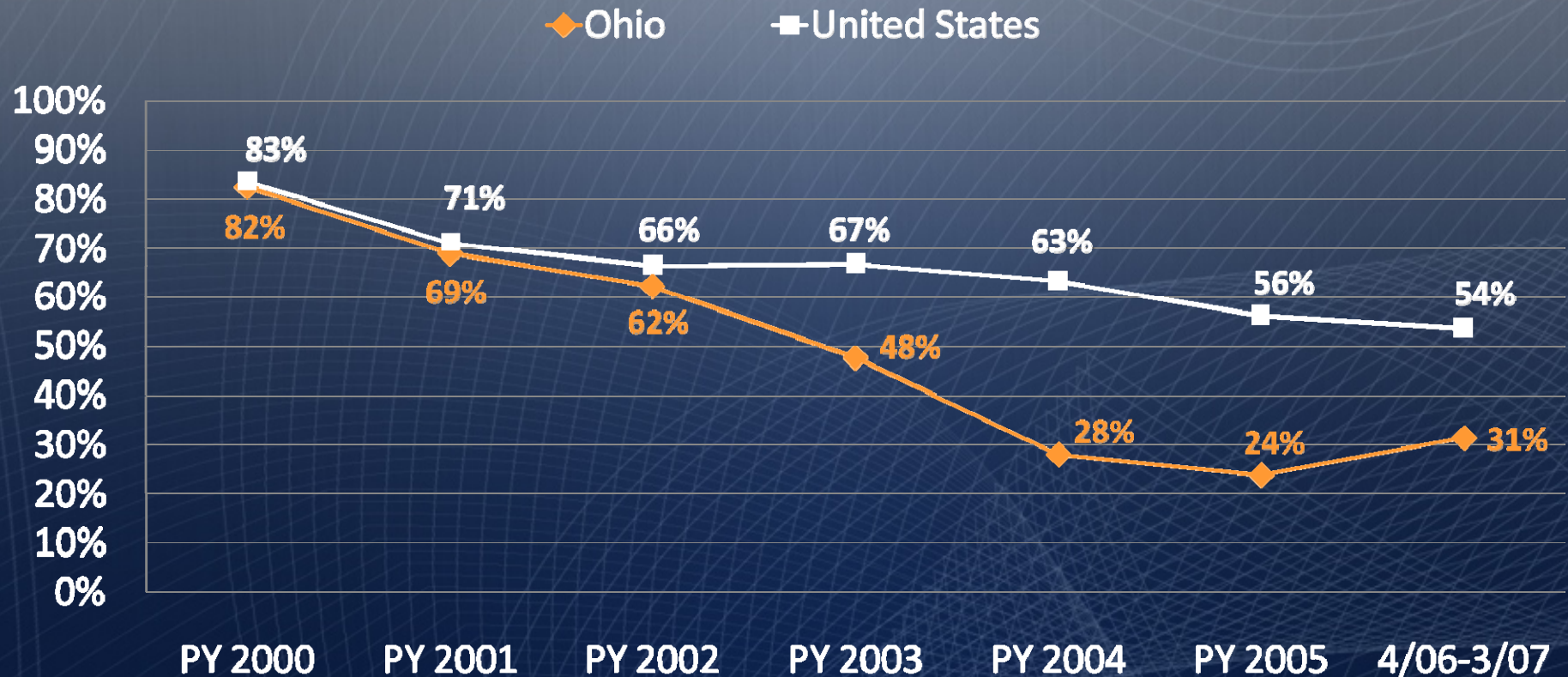
-  **High School:** 40% of those with a GED enroll in postsecondary v. 75% of high school grads
-  **Community Colleges:** on average, 46% of students never complete a degree; managing transitions is key
-  **WIA:** had 18,628 adult participants in 2006 across the entire State*
-  **WIA:** served 8,732 displaced workers in 2006, while 77,000 Ohioans ran out of unemployment compensation**
-  **WIA:** returned \$20 million in unspent funds in 2008.

*According to the 2006 Statewide Performance Report

**Policy Matters

The composition of WIA clientele is changing

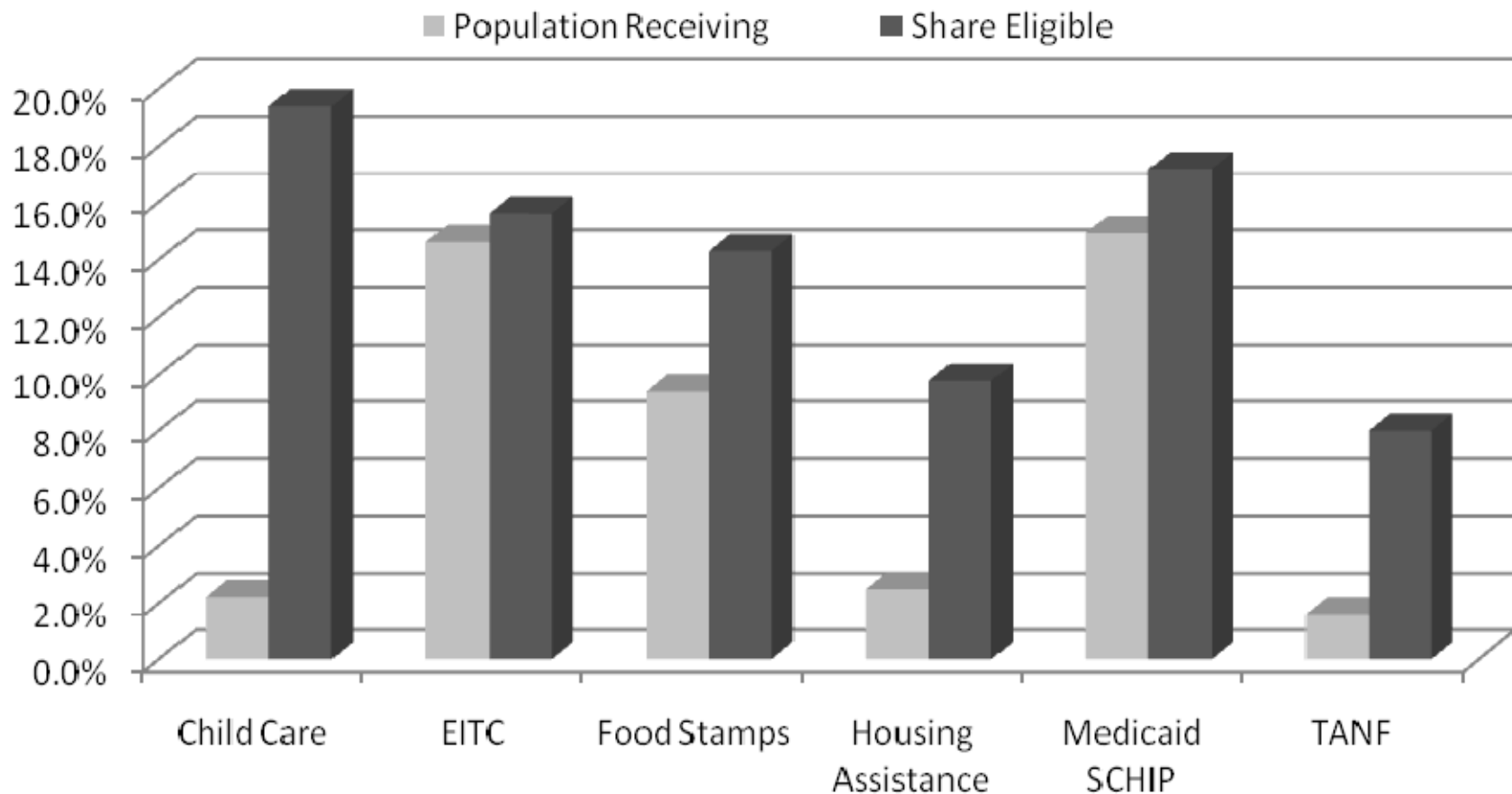
Only 31% of WIA clientele are low income today v. 82% 8 years ago



Source: US DOL ETA Federal Research & Training Database.

Work Supports can aid retention in training and education but are going untapped




Many More Ohioans Are Eligible for Work Supports Than Actually Receive Them



*Childcare is based on percent of children in Ohio under 13. EITC uptake is based on the percent of tax filers. Housing assistance is a percentage of households in Ohio.

Source: Policy Matters, 2008



Activities have to coordinate across the supply chain to create value

-  Academic, personal guidance, and work support services are often insufficient or not integrated with career advancement services, affecting student and worker retention & outcomes
-  “Intermediaries” broker and deliver education and training services to meet the needs of employers and workers, but they need technical assistance and resources
-  Work supports need to be delivered as a way to increase income in the short-term while pursuing advancement goals*

*MDRC, 2007

Ohio needs a state agenda to advance low & middle income workers

Ensure that the Ohio Skills Bank emphasizes core communities and targets strategies to low income workers so they gain the skills and credentials they need to move into high-quality jobs with opportunities for advancement in target industries.

-  Align the Ohio Skills Bank initiative to a WIRED-type framework in every region
-  Adopt a competitive state grant program that identifies employer needs for low- and moderately-skilled workers and engages intermediaries and training providers in preparing disadvantaged urban residents to meet those needs

The agenda should target production line improvements in urban settings

Build the capacity of local workforce intermediaries to better serve a regional labor market, in part by establishing virtual networks among them in each metro region.



Provide TA, data, and networking among workforce intermediaries to enable them to operate regionally.



Advance “high road” employment practices. Investments in worker-advancement systems made by intermediaries will be more effective if part of a larger strategy to provide reasonable compensation and advancement opportunities for workers.