WORKFORCE REPORT - 2014

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ADDENDUMS

EXECUTIVE SUMMARY:

The purpose of this Executive Summary is:

- **Define the challenges the county faces in a technology based workforce environment**
- **To provide an analysis of the job potential for the county in the next 5 years.**
- **Outline the job opportunities available now and in the next five years in Windham County.**

CHALLENGES: Windham County is challenged by an aging workforce. US Census population estimates for Windham County for 2013 show that the majority of the workforce in the county is between 45 – 64 years old. At present this trend seems likely to continue. There is also evidence from employers that many of the core skills that are needed in the workforce are missing. These missing skills are not just with prospective hires but with present employees whom companies may want to move up in their organizations.

POPULATION ESTIMATES FOR WINDHAM COUNTY, VT

2010 – 2013

PEPAGESEX-Geography-Windham County, Vermont: Annual Estimates of the Resident Population for Selected Age Groups by Sex for the United States, States, Counties, and Puerto Rico Commonwealth and Municipals: April 1, 2010 to July 1, 2013

Age	April 1, 2010		Population Estimates (as of July 1)			
	Census	Estimates Base	**2010**	**2011**	**2012**	**2013**
	Both Sexes	Both Sexes	Both Sexes	Both Sexes	Both Sexes	Both Sexes
Total	44,513	44,513	44,504	44,237	44,040	43,857
18 to 64 years	28,508	28,508	28,485	28,241	27,826	27,494
18 to 24 years	3,633	3,633	3,633	3,601	3,636	3,636
25 to 44 years	9,819	9,819	9,798	9,680	9,550	9,380
45 to 64 years	15,056	15,056	15,054	14,960	14,640	14,478
Median age (years)	44.9	44.9	45.0	45.4	45.6	46.1

Suggested Citation:
Annual Estimates of the Resident Population for Selected Age Groups by Sex for the United States, States, Counties, and Puerto Rico Commonwealth and Municipals: April 1, 2010 to July 1, 2013
Source: U.S. Census Bureau, Population Division
Release Date: June 2014

The goal of the project is to understand the makeup of the current workforce, and to project what it is going to look like in the next five years. Will jobs grow or will there be a decline? Are the larger businesses (over 45 employees) of the county seeing a similar picture as the smaller ones? What are the issues that most concern employers in terms of the available work force?

ANALYSIS: The project began by approaching 67 of the largest businesses of the Windham Region. We asked them if they would be willing to participate in this project. To date 35 of those businesses have participated. These companies represent 7 different job sectors and 25.39% of the region's workforce. Their information was collected, aggregated and analyzed. Using our findings from this original group we took two further steps.

1. In conjunction with the local chambers of commerce we sent out a modified electronic survey to small businesses (40 and under employees). 63% of the respondents in this group represented businesses with 10 or fewer employers. Contained in our survey to this group we asked about workforce size, expected growth and also what they saw as workforce challenges in terms of skill set issues.

2. We went back to our original survey group and asked them four specific questions about core skills issues they were experiencing in hiring and maintaining a workforce.

Job Opportunities: What we learned, was that jobs exist and new jobs will become available in our area within the next five years. Based on the information provided by the participating businesses, they expect a minimum of 3,345 job openings. The jobs referenced by the employers involved with is study varied from highly skilled technical and professional positions down to some very basic hourly positions. A full list of these positions is provided in the addendum to the full report that can be referenced on line (see the URL address at the end of this summary). The positions include both new jobs (approximately 27% of the noted number) as well as replacement jobs due to staff turnover in existing positions. To support this growth we must do a better job of preparing area residents for these jobs. It is clear that employment preparedness issues are multi-faceted and complicated. To tackle Windham County's complex employment landscape, it will require the work of current and future workers, educators, agencies and businesses combing their efforts to meet the workforce needs of the region. Some of this work must begin prior to students reaching high school. We must also attract businesses and entrepreneurs to our area. In order to do this, we must improve the skills of our workforce. This in turn, will be the only way we make headway in helping our current employers grow, improving wages, and attracting jobs that pay more to the county.

Anyone wishing to settle in Windham County should be able to access educational opportunities and be financially able to live here. Additionally, students, parents, schools, the business community, and the community at large all have a stake in ensuring that Windham County high school graduates are able to find meaningful work in the area while also earning a livable wage. Together we can grow Windham County making it a desirable place work and live. We have begun to take the steps to make this a reality.

The full workforce report and supporting documents can be found on line at: **http://seveds.com/2014wfreport** In addition, the report outlining challenges, objectives and goals for workforce development in Windham County can be found in the 2014 Windham County Comprehensive Economic Development Strategies Report (CEDS) at: **http://seveds.com/ceds-report/**

Windham County has some significant workforce challenges. These include:

- The demographic makeup of the county.
- An aging workforce.
- Rapidly advancing technology that is moving across all employment sectors. If it has not already been experienced it will be.
- Missing skillsets of potential workers not only affects their ability to get hired but also to advance.

Based on the US Census estimates April 1, 2010 to July 1, 2013[1] the population of Windham County for the age range of 18 -64 year-olds has gone down by 3%. This age group was used as a best indicator for people likely to be in the workforce. The 45 to 64 year group represents 53% of the total population number, the 25 to 44 year represents 34% of the total with the remaining group of 18 to 24 year old only accounting for 13%. . As of the 2013 the estimated median age of the workforce for the county was a combined gender estimate of 46.1 years.

The workforce inventory project, Phase I, was initiated in the summer of 2013 by the Workforce Committee of the Southeastern Vermont Economic Development Strategies (SeVEDS) in conjunction with its Comprehensive Economic Development Strategy (CEDS) undertaking. As work began on the project, questions arose on the demographic component of Windham County's workforce in terms of its collective age. The initial goal of the project was to approach the top 25-50 employers of the region to get them to provide a "snapshot" of their present workforce as well as what their workforce needs were likely to be in the next five years -- both in respect to new jobs and job openings due to employee turnover. The study was also aimed at identifying specific occupations in the area's workforce that may require focused training.

To date, 34 of the county's larger companies have completed the initial inventory project. The businesses that took part in the countywide large business survey were located in: Brattleboro, Bellows Falls, Grafton, Marlboro, Putney, Stratton, Townshend, Vernon West Dover, and Weston. It should be noted there was one other manufacturer in this group that announced in September of this year that they would be closing in October. Due to this unforeseen event their data was removed from the study.

One of the goals of the large business project is to examine the collected data and -- through an analysis of the S.O.C. (standard occupational codes) numbers -- identify those occupations that show the highest incidents of openings. This, in turn, provided a clear focus to the information that is to be shared with educational groups, businesses and others interested parties: Where should we concentrate future training efforts for this county?

At the beginning of June, 2014 a new summer intern --Cameron Goller-- was hired to begin Phase II of the workforce inventory project. Goller set up a system in MS Access to aggregate and report out the information collected from the workbooks of each of the participants in the

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[1] PEPAGESEX-Geography-Windham County, Vermont: Annual Estimates of the Resident Population for Selected Age Groups by Sex for the United States, States, Counties, and Puerto Rico Commonwealth and Municipals: April 1, 2010 to July 1, 2013

project. Initially, in addition to assigning SOC numbers to each position, the organization's data had to be moved to a Master List which contains the critical information from all the participant reports. The next step in the process was to figure out how the information from collected data would be sorted and analyzed. The development and refinement of the queries and reports happened over a period of several weeks. During this period other organizations were also added to the Master List. It should be noted, that the databases, queries and reports were developed and as each new organization is added to the Master List, its information can be easily assimilated into the data already present.

Collected information was then analyzed, and reports summarizing the data were prepared; these reports range from very condensed to highly detailed. It is important to recognize and honor the fact that some of the gathered information must have a degree of confidentiality maintained as it becomes information available to the public.

CURRENT OUTCOMES:

The 34 businesses/organizations in the larger business project represent a number of job sectors. These include **Education** (5), **Finance & Insurance** (3), **Health Care & Social Assistance** (6), **Leisure & Hospitality** (3) **Local Government,** (1) **Manufacturing** (*Durable & Non- Durable*) (15), and **Retail** (2), representing a total of 7 Industry Sectors. These Sectors were chosen to match with historical economic and labor market information Sectors that were used in this study. They were accessed through the Vermont Department of Labor in cooperation with the U.S. Bureau of Labor Statistics. Based on the information that each of the participant companies has provided, within the next five years these companies are expected to have **3,059** jobs openings. Of this total **769 (25%)** will be new positions. The balance represent positions needing to be filled because of job turnover.

The breakout by sector is as follows:

Sector	Total "All Jobs" in next 5 years	Total "New Jobs" in next 5 years	"New Jobs" as a % of Total
Education (5)	384	123	32%
Finance & Insurance (3)	77	16	21%
Health Care & Social Assistance (6)	1,064	132	12%
Leisure & Hospitality (3)	374	113	30%
Local Government (1)	46	0	0%
Manufacturing (15) *(Incudes Durable & Non-Durable)*	1,017	370	36%
Retail (2)	97	15	15%
Totals:	**3,059**	**769**	**25%**

Initially, as noted in the chart above, the data was broken out by Sectors; we noted the total number of jobs ("All Jobs") that each company/organization estimated they would have in the next five years. The estimated number and percent of "New Jobs" was also broken out from the "All Jobs" number of which they are a part of. The majority of "All Jobs" showed they were positions that need to be refilled due to turnover, including --but not limited to --retirements. This began to give a framework for further analysis.

From this point the "All Jobs" data was then sorted by S.O.C (*standard occupational code*) number, going from highest to lowest. This provided a picture of occupations that had the highest number of possible openings in the next five years. Based on the information, an "All Jobs" report --listing occupations with 50 or more potential openings in the next five years --was created. Part of the reasoning for using the number 50 as a cut off was to enable us to sort according to "critical mass" needs for potential training. The query itself however is built such that the number of "at or above" a certain level can be modified as needed.

This particular report revealed a real mix of occupations representing a number of sectors and organizations. In some cases the occupations require a formal degree type of education and experience in the field, but others may only need a short term certificate type of training. There also some instances where nothing more is required than on-the-job training provided by the employer.

Below are the findings for the Tops Groups by SOC# with 50 or above openings in the next 5 years in the "All Jobs" category.

SOC #	Group	"All Jobs" in 5 years
29-1141	Registered Nurses	167
29-2053	Mental Health Technicians	117
11-9111	Medical & Health Services Mgrs.	101
43-6014	Secretaries & Admin. Assistants	98
51-4041	Machinists - Production	98
11-1021	General & Operations Mgrs.	97
51-9199	Production Workers	90
41-4012	Sales Representatives*	75
31-1014	Nursing Assistants	74
29-2061	Licensed Practical Nurses	64
51-9111	Packaging & Filling Machine Operators	63
37-2012	Housekeeping Staff	61
43-9061	Office Clerks – General	58
21-1099	Social Services Specialists	53
35-9090	Food Prep. & Serving Workers	52
31-9099	Health Aide	50

Based on the SOC # for Sales Representatives the jobs include both retail sales (generally requiring a limit skill set and lower wage range) and wholesale sales.

Based on the data provided and shown in the chart above, almost half of the potential jobs with 50 or above openings in the "All Job" category are in the Health Care & Social Assistance sector. When adding in the Housekeeping and Food Prep. & Serving Workers occupations (that do have some crossover between the Health Care & Social Assistance sector and the Leisure & Hospitality sector), the Health Care & Social Assistance sector contains the majority of positions with the most potential for openings in the next five years. The majority of positions in this overall "All Job" group are not at a technical or professional level, which indicates that the majority of the jobs are likely in lower wage range categories. While there are certainly a number of technical and professional level occupations that are included in this study, their numbers did not meet the cut off numbers for the two reports noted above and below. (There are other reports by Sectors that provide the total counts for all the reported jobs without compromising a company's confidentiality - See Addendum.)

Similar to the "All Jobs" data, the "New Jobs" data was sorted by S.O.C number, going from highest to lowest. This also provided a picture of "New Job" occupations that had the highest number of opening in the next five years. Based on the information and the limited pool of data to draw from, this report listed occupations with 25 or more potential "New Job" openings. Like in the "All Jobs" report there was an effort made to sort for "critical mass" for potential training needs. It is apparent that the same amount of "critical mass" is not reached in the "New Jobs" category.

SOC #	Group	"New Jobs" in the next 5 years
51-4041	Machinists - Production	60
11-1021	General & Operations Mgrs.	33
15-1151	Computer Specialists	31
51-9199	Production Workers	30
29-2061	Licensed Practical Nurses	27
51-9061	Inspector - QA	26
11-9033	Education Administrator Post-Secondary	26

The information provided in this chart shows significantly fewer "New Jobs" availability in the next five years when compared to what is seen in the "All Jobs" report. Also to be noted is that five of the eight occupations are also listed on the "All Job" report. On a positive note, however, "New Jobs" are anticipated being add by many of the respondents

A complete list of occupations that the large employer group identified there would be openings for is included the Addendum along with job breakouts by sectors. Additionally, a Workforce Project Overview for the larger businesses can also be found in the Addendum.

As we aggregated our first data set assembled from the group of 34 of the larger businesses of the county, two other elements came into play.

1. First, as a follow up, we asked these businesses what challenges they face in hiring and promoting workers.
2. The second element was to gather information on smaller business of the region: Were these employers having similar challenges with the available workforce? To gather this information we enlisted the help of the three Chambers of Commerce, and created an

electronic survey which was e-mailed to chamber members and others in the small business community.

Our small business survey was done as a follow-up to our work with the larger businesses. The information was gathered by electronic survey. Although the surveyed information was not as detailed as that found in the larger business survey, the information gathered was still valuable. We received responses from 56 small businesses. Seventy-five percent of these responses came from the following sectors**; Retail Sales & Service (12) Leisure & Hospitality (11)**, **Professional Services (7)**, **Education (6) Finance Insurance & Real Estate, , Food Services (5) & Health Care (4)**. The respondents represented small business from Brattleboro, Bellows Falls, Dummerston, East Dover, Jamaica, Londonderry, Newfane, Townshend, Whitingham and Wilmington.

Sixty–two percent of the respondents indicated that they presently had between 1 and 10 employees. The survey asked for employee number in ranges. Based on this methodology the information is provided in ranges: Collectively, the respondents indicated they have between 493 to 745 employees.

How many employees does your business presently have (please include yourself)?

	Number of Response(s)	Response Ratio	*Extended Employees*
1-5	20	36.3%	20 -100
6-10	15	27.2%	90 - 150
11-15	7	12.7%	77 - 105
16-20	7	12.7%	112 - 140
20-30	2	3.6%	40 - 60
31-40	1	1.8%	31 - 40
41-50	3	5.4%	123 - 150
Total	55	100%	**493 - 745**

Of the total numbers given 29% - 30% of these jobs are indicated as being part-time (142 – 222). Actual full time jobs are estimated at between 351 – 523.

We also asked the small business respondents to estimate how many new positions they would like add in the next five years as well as how many jobs will need to replaced due to turnover and /or retirement.

How many positions to do think you will need to replace due to turnover and/or retirement in the next 5 years?

	Number of Response(s)	Response Ratio	*Extended Employees*
1 - 5	**40**	**71.4%**	**40 - 200**
6-10	**7**	**12.5%**	**49 - 70**
11-15	**2**	**3.5%**	**22 - 30**
16-20	**2**	**3.5%**	**32 - 40**
21-25	**0**	**0.0%**	
Other	**5**	**8.9%**	**143 - 340**
No Responses	**0**	**0.0%**	
Total	**56**	**100%**	

How many new positions do you think you will add in the next 5 years?

	Number of Response(s)	Response Ratio	*Extended Employees*
1	8	14.2%	8
2	13	23.2%	26
3	6	10.7%	18
4	7	12.5%	28
5	5	8.9%	25
6	2	3.5%	12
7	0	0.0%	0
8	2	3.5%	16
9	0	0.0%	0
10	1	1.7%	10
no new employees projected	8	14.2%	
we will downsize	0	0.0%	**143**
Other	3	5.3%	
No Responses	1	1.7%	
Total	**56**	**100%**	

Of the total numbers given 55% of these jobs are indicated as being part-time (78). The actual full time jobs are estimated at **65 or 45%** of the number given above.

Based on the combined information provided in the two chart above, the "All Jobs" total for the next five years from this group is expected to be in the range of between 286-483 jobs. When we combine the findings of the large business group with the small business information -- using only the **low end** of the range that is projected for job needing to be filled by turnover (143) plus the projected new jobs (143) -- we get figure of total of **3,345**(large businesses.3,059 + small businesses. 286). Of this figure, **912** (large businesses 769 + small businesses 143) are expected to be **new jobs**. Using the same formula (that we used for projecting out the total number of jobs in the next five years in our large business survey group), there is a project total of **25,218 jobs that are represented across all sectors**. Owing to the limited detail in the small business survey it is likely that some of the jobs from this group will be part time. We were also not able to give the same detailed breakdown of types of jobs for the small businesses as we did for the large group. The methodology for projecting the jobs number is explained below the next chart.

Combined Large & Small Job Forcast for Windham County
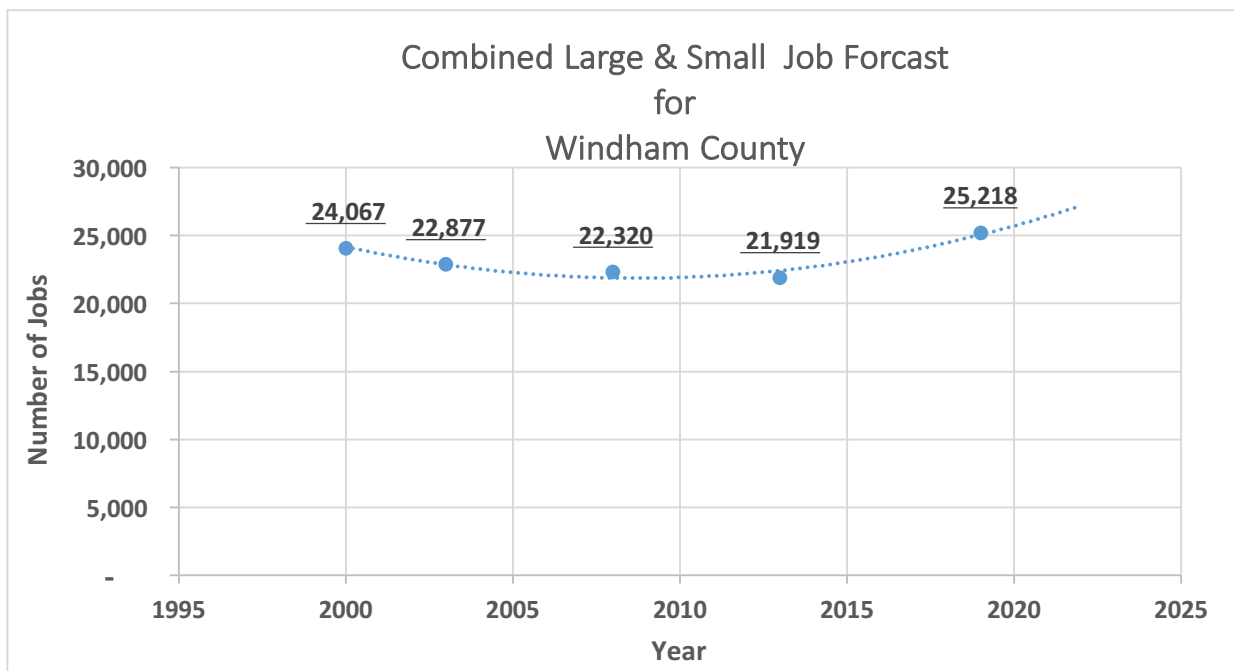
- Data on years 2000-2013 collected from State of Vermont (http://www.vtmli.info/indnaics.htm)

- Data for the new job projection for 2019 is based on percentage of workforce accounted for in the large and small business inventory project figures.

- Presently 6,059 (493 – small businesses and 5,566 - large business group) jobs are accounted for from the combined total from the two groups. Again, because of the way the small business group's information was reported we used the low end number of the range that was provided to keep our numbers on the conservative end for making these projections.

- 21,919 totals jobs are reported by State of Vermont for Windham County *(for 2013)*. Project respondents from our two groups represent 27.64% of workforce in the county *(6,059/21,919 = 0.2764)*

- 912 new jobs projected in 2019 for companies from the combined total from the large and small business groups; 3,168 new jobs are projected for total workforce. *(912/0.2764 = 3,299)*

- Total of 25,218 jobs projected in workforce for 2019 *(21,919+3,299 = 25,218)*

From a jobs growth perspective what we see and know:

- Given the historical data from 2000 to 2013 from the VT Department of Labor and our current data, which we used to project forward five years, it appears there will be general job growth in all sectors. Some of the sectors showing stronger growth than others.

- The demographics for the Windham County population continue to pose a challenge for the workforce.

- It appears the most job opportunities in the region are in Health, Manufacturing and Education.

- For significant change in the income growth for the area, we must grow and attract employers with occupations that pay at higher rates than what we presently have. That will also require training a workforce ready to meet that challenge.

What we don't know:

- Any given Company's specific wage information.

- What the margin of error is in our data. While the format for our input sheets were standardized, a large number of people had input on providing information making it subject to interpretation by a given individual. Also, like any good business plan, deciding how things will look in the future can be very subjective. It is believed that respondents erred on the conservative side of any inputs they made.

- What new businesses, unknown at this time, might come into the area or be created by current residents that could have a significant impact on the region?

- What the economy is going to do. Will it keep crawling along or start to show some real movement in a positive direction?

- Will the trend in the demographics of the area continue to show a decline in younger people? Will the median age of the workforce continuing to move toward 50?

From the data that was gathered, we have one type of "snapshot" of what is going on in Windham County with jobs and the potential they hold for job seekers in the future. There is another "snapshot" that emerged relative to the state of the workforce here in the county: Skillsets are not only missing from the applicant pool but also from those already employed. This prevents them from moving up within the organization. Many of the core skills that employers find missing cut across all job sectors and business sizes. These include: communication skills, critical thinking skills, personal initiative and work ethic, dependability, personal appearance, math and writing skills, problem solving, reading for information and adaptability. These elements cannot be learned overnight. These issues need to begin to be addressed in the early primary grades and need to be reinforced throughout a student's education if there is ever to be any hope of having young adults ready for the 21st century workforce.

Technology is here to stay and is advancing into all sectors of the workplace. Understanding --and the ability to use new technology -- will be a must for everyone. Higher levels of computer skills were also mentioned as being critical for success. It is no longer simply about being able to turn a computer on, one needs to be able to use the software effectively and integrate it into other aspects of one's job. A technical aptitude and learning agility are also seen as real assets. The ability to work in teams, as well as the ability to work independently, is seen as critical to success in today's workforce. Workers need to recognize no matter where they are within the organization they need to understand and use customer service skills -- whether it is between units of the company, with actual customers of the company or

other companies/organizations they work with. They also need to have the ability to break out of a "silo mentality", they must think and look from a more systemic or "big picture" position with regard to the organization they work for and the role they play in it.

To be able to move up within an organization, skills cited (beyond what has already been mentioned) are: time management and organizational skills, leadership, supervision and management skills, problem solving and troubleshooting, and ability to work through crisis situations. The use and understanding of new technology as it moves into the workplace is going to be critical for all employees. More than ever, education needs to be understood as a lifelong process. No longer can employees remain "static" in what they know.

There are jobs that are or will become available in our area within the next five years but we must do a better job of preparing area residents for these jobs. Parents, Schools, Workers and Businesses all have an important part to play in nurturing and developing the critical work skills that are needed to be successful employees and drive businesses. We must also attract businesses and entrepreneurs to our area. In order to do this, we must improve the training of our workforce. This in turn, will be the only way we make headway in improving wages and attracting jobs that pay more to the county.

Until such a time that our education system is able to develop all students and workers with the core skills needed in the workplace, it will be incumbent upon schools, agencies and businesses to provide core skills mastery for all. This can be done, but requires the comment on a multitude of levels to engage this process.

NEXT STEPS

First and foremost is to share this information with the public and the larger educational community.

1. The process will begin with a group meeting of the superintendents from each of the four supervisory unions of Windham County. We are starting with this group because it is critical they understand the area's jobs picture and we must collaborate on steps that will address core skills issues that the businesses have cited as problem areas.
2. The second group will be the area guidance counselors. Again presenting core skills issues that the businesses have cited as problem areas as well as informing them of the area's jobs picture.
3. Next, we will reach out to parents and teachers to get them involved and informed.

All of these groups need to clearly hear what has been reported by our area business community, and they must have an opportunity to report out on their knowledge and expertise in these areas. We must work collaboratively to tackle this thorny issue.

4. We also must facilitate dialogue between a key sector groups and educators. We want the educators to hear directly from the business community what is important to them and what they see as trends in meeting the employment needs for their sector.
5. We will also continue to engage with the area's colleges. We already have a working relationship with the colleges through the Windham Higher Education Cooperative: the Community College of Vermont, Vermont Tech, Landmark College, Marlboro College

and Union Institute and University. Ensuring that the colleges also understand what the business community experiences in relation to the quality of the area's workforce will be helpful in addition to gaining a deeper understanding of the current employment picture in the Windham Region.

6. Another essential group is the social service community. This information on jobs and employee training and preparedness is absolutely critical to their work and the goals of their clients.

We are eager to facilitate this absolutely crucial dialogue.

In addition we will also be drawing direct linkages to the findings in this report and the recruitment needs already identified in our CEDS which call for the creation of centralized job posting and relocation information well as full development of the collaborative southern Vermont Sustainable Marketing Project.