

Talent Match

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Overview of Presentation

- Primary Findings
- Discussion of Current Conditions and Employment Pipeline
- Discussion of Inefficiencies in the Labor Market
 - Education and Employment Mismatch
 - Skills and Employment Mismatch
 - Geographic Mismatch
 - Employee Preference Mismatches

PRIMARY FINDINGS

Major Trends

- Shortage of qualified workers
 - The region will need to cultivate and attract qualified workers
- Many workers are underemployed or feel at risk of losing their jobs
- For many job postings (except in health), education requirements surpass the education attainment levels of the current workforce
 - Job postings are often inaccurate
- Too many students are not appropriately trained for the workforce upon graduation

An Overly Simplified Picture of the Region's Labor Demand/Supply Factors

Labor Demand (Job creation or contraction-*directly or through temp services* –by existing, relocating, or start-ups firms)

Labor Supply (Emerging workforce (coming of age & graduates) + existing workers + workers rejoining the workforce + net migrants + net commuters – workers leaving the workforce)

An Overly Simplified Picture of Changes to the Regional Labor Market

Labor Demand = Labor Supply, when

Employers offer preferred:

- Wages and benefits
- Employment conditions (hours, scheduling, stability of the work environment, work type)

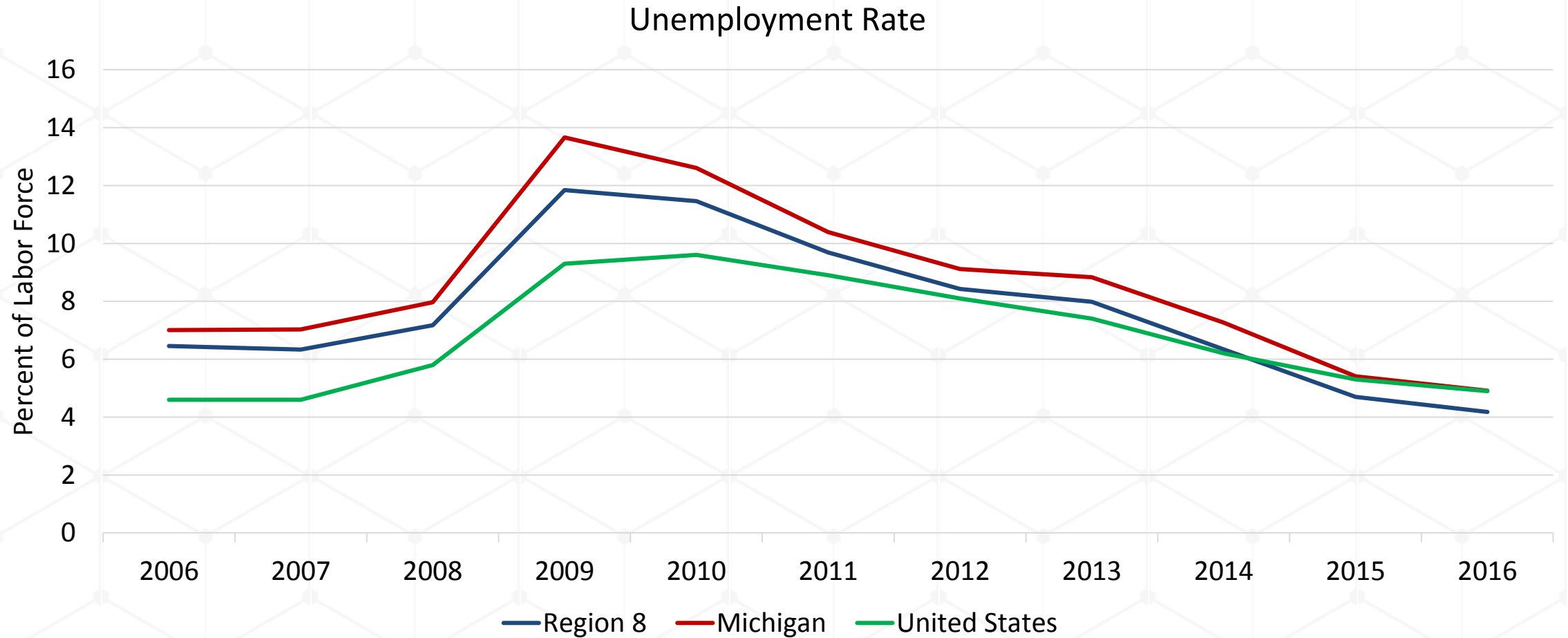
Job Seekers:

- Are able to fulfill the requirements of the position or are able to access necessary training opportunities
- Have support structures, e.g. childcare, and reliable transportation

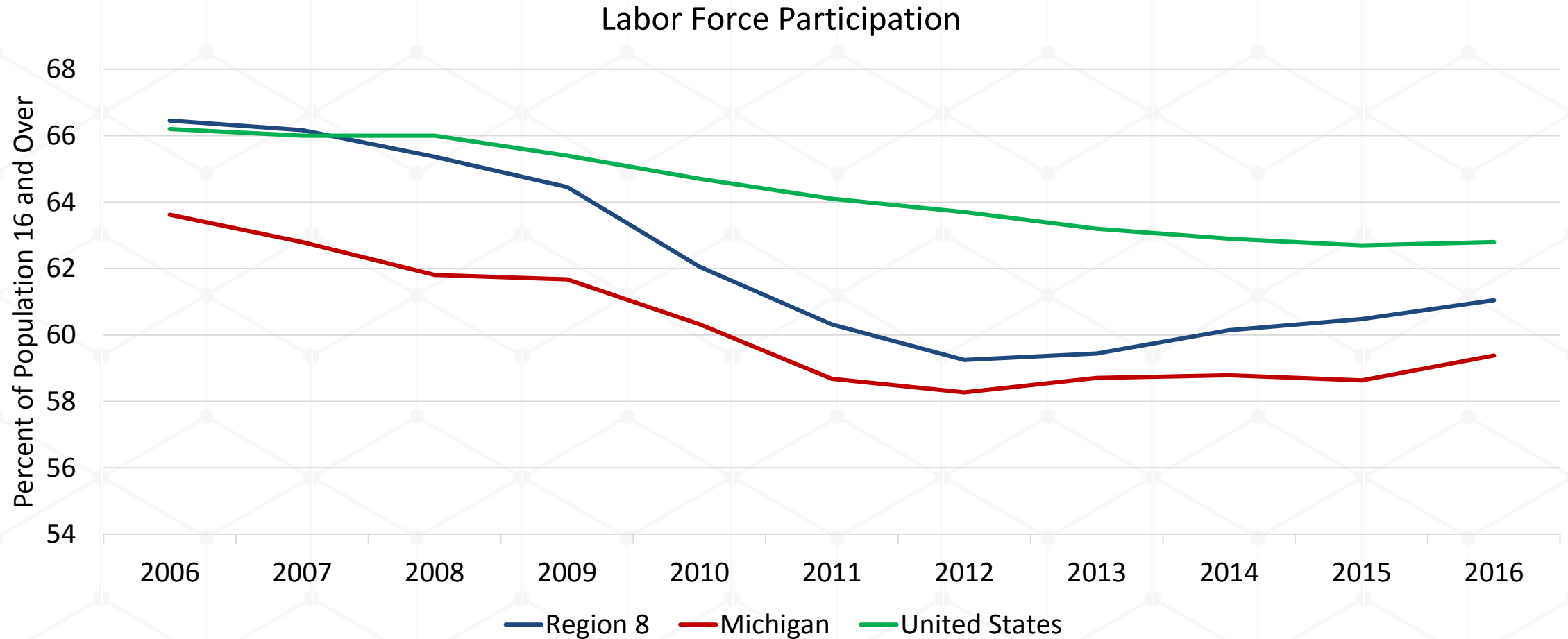
Clearly, this equation is impacted by inefficiencies found in both sides of the equation

CURRENT CONDITIONS

Unemployment Rates Have Fully Recovered

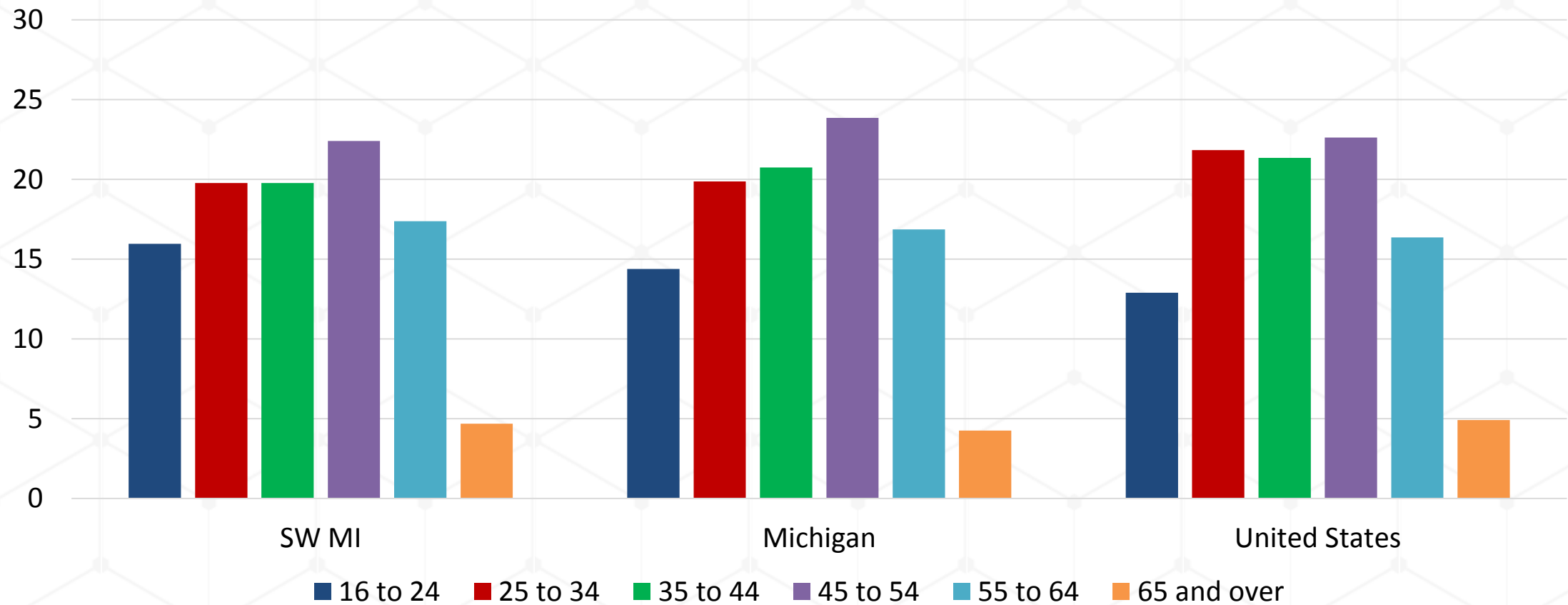


However, Labor Force Participation Has Not



Age Distribution of Employees

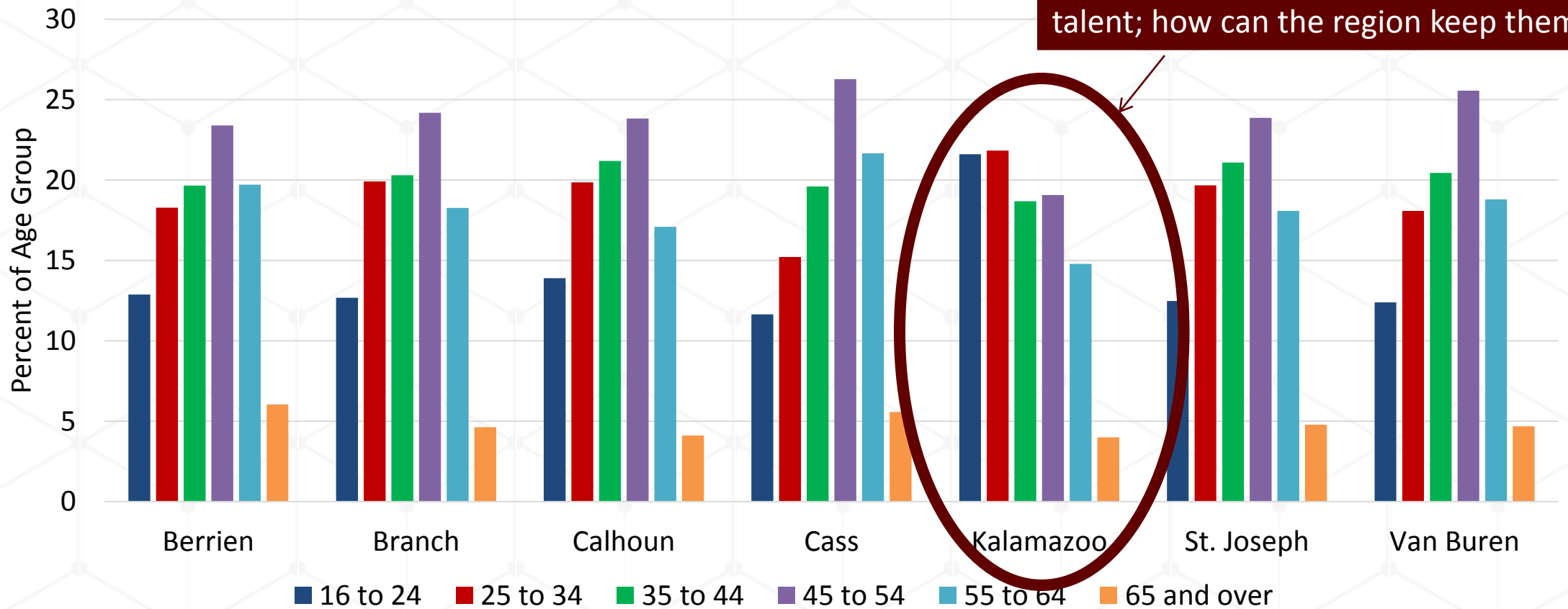
Age Distribution of the Employed



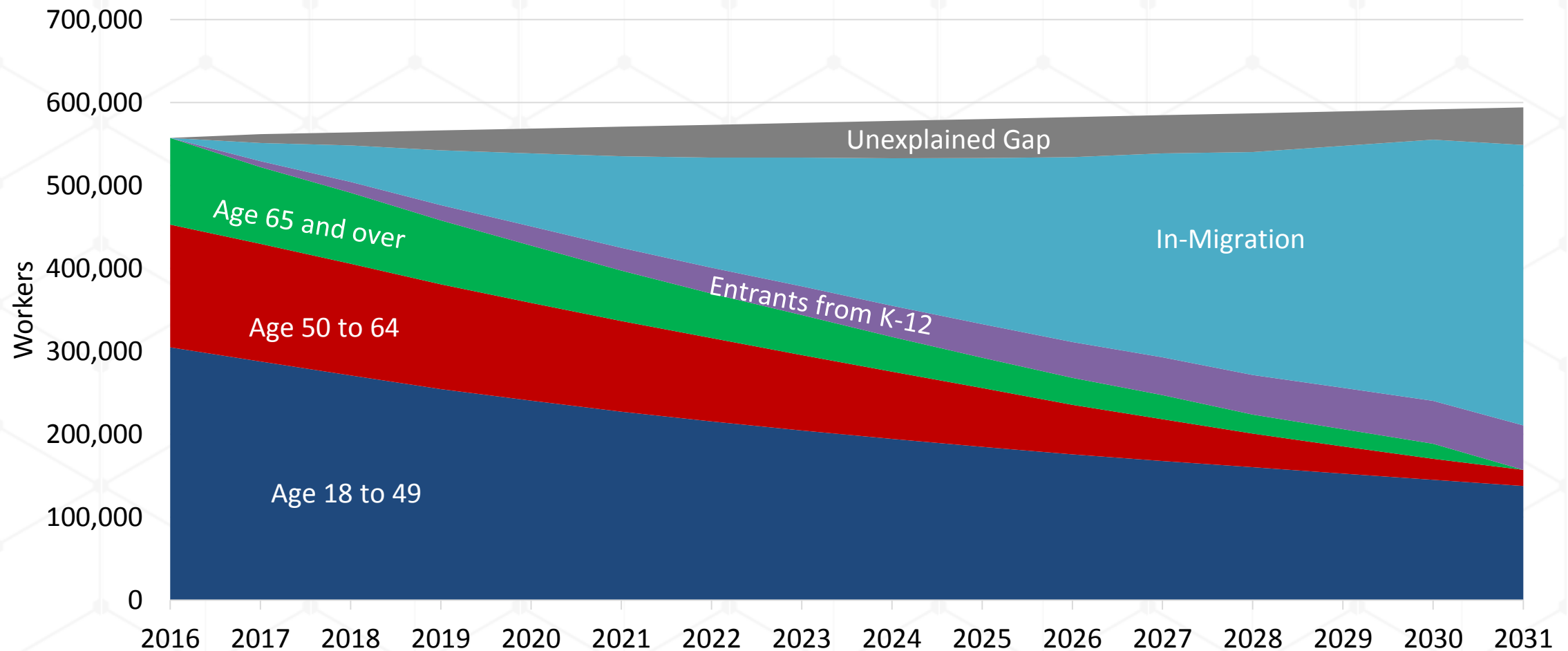
The Region's Workforce Tends to be Older Except in Kalamazoo County

Age Distribution of the Employed

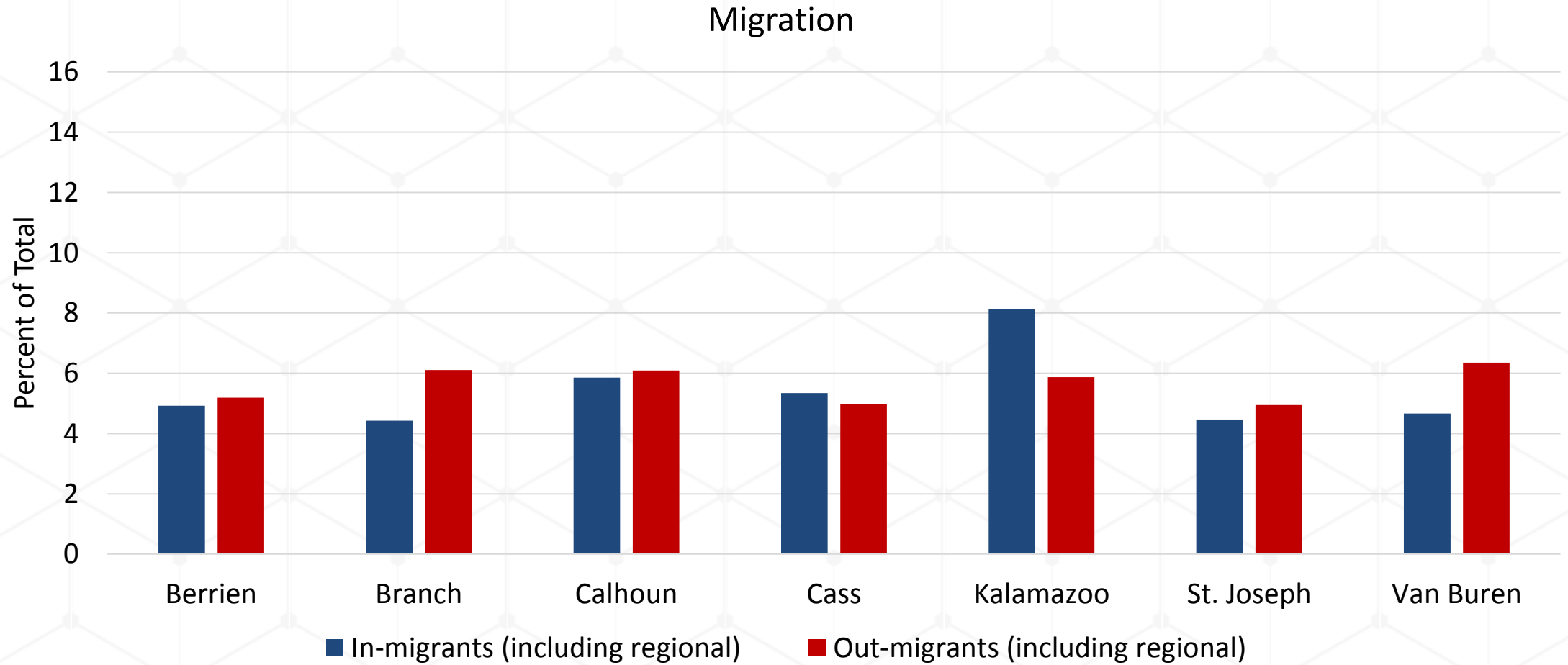
WMU and Kalamazoo College attract talent; how can the region keep them?



The Region Will Become More Dependent on Newcomers - Will We be Able to Attract Them?

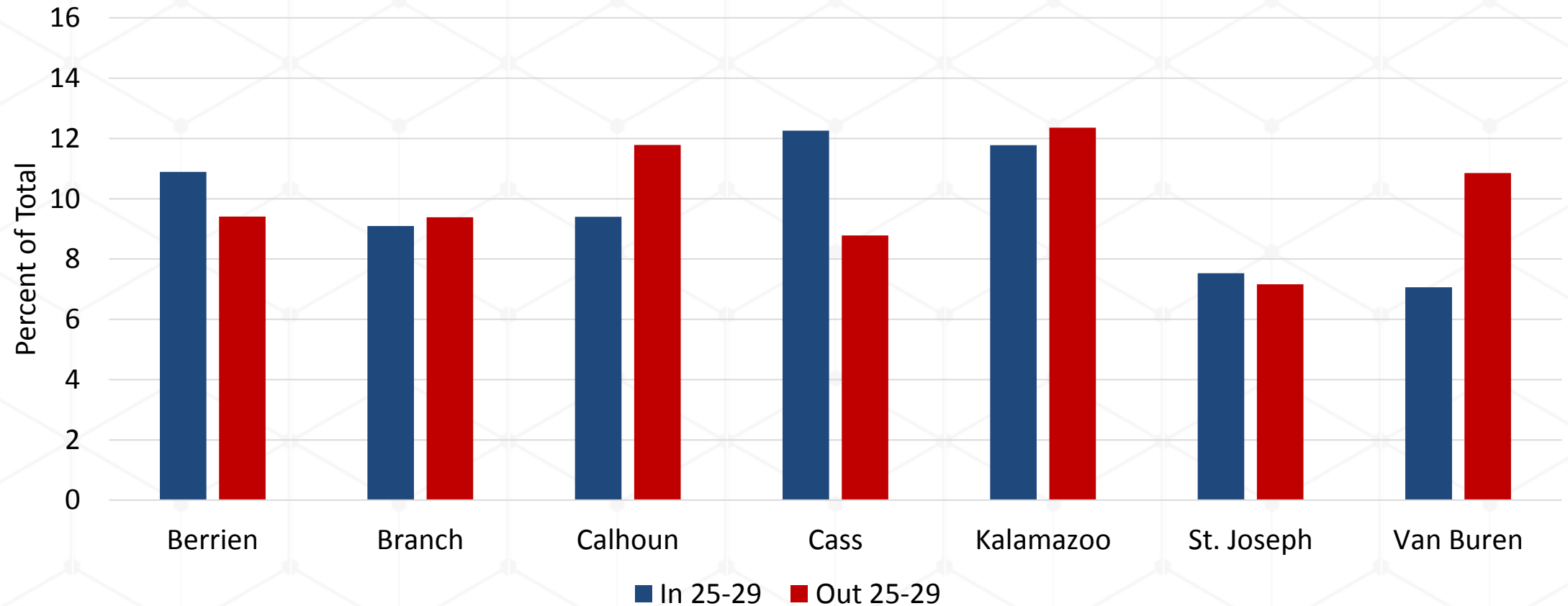


Total Migration by County



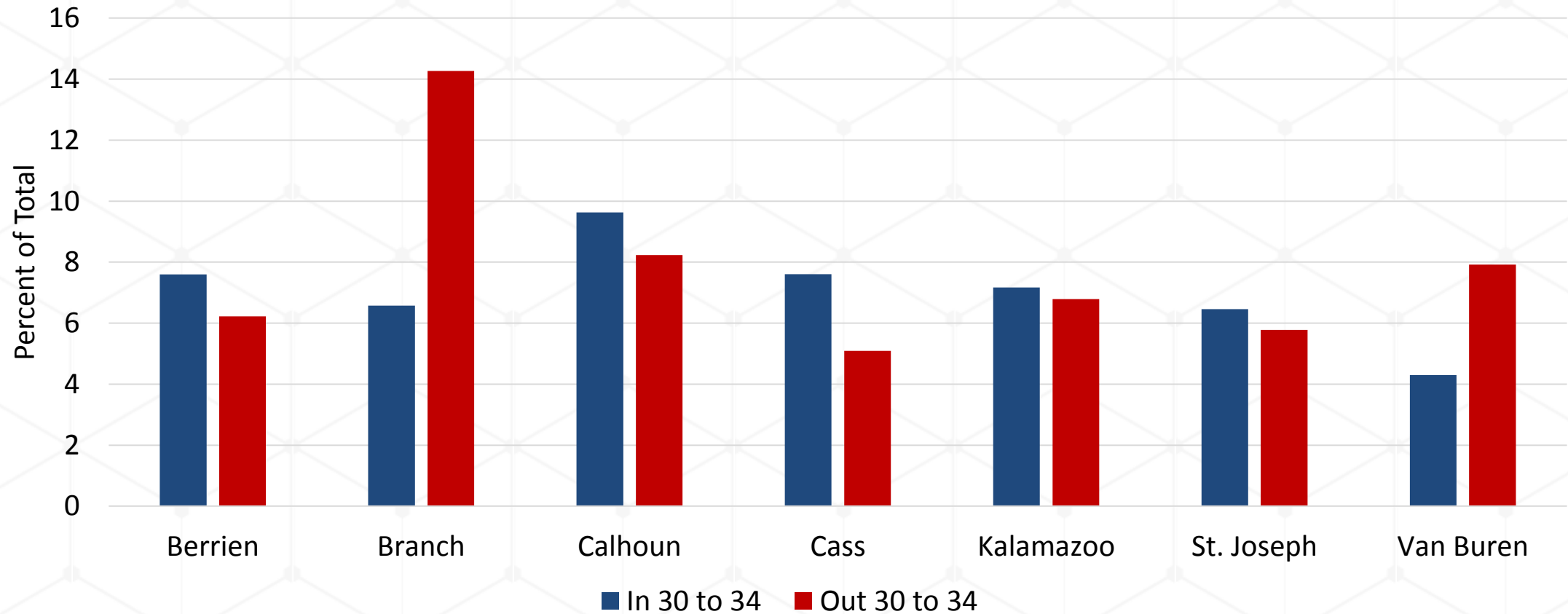
Younger Segments of the Population Tend to Move Relatively Frequently

Migration Age 25 to 29



30-34 Year Old's Move a Little Less but Still More than Average

Migration Age 30 to 34



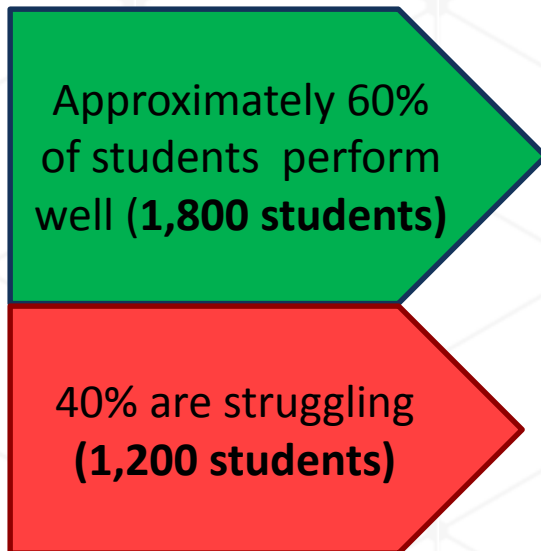
EDUCATION AND EMPLOYMENT MISMATCH

What are the Challenges?

- Many students leave the education system unprepared for the workforce
- There are leaks throughout the K-12 pipeline
- Evidence suggests there is a mismatch between employer's stated expectations and the education attainment levels of jobseekers

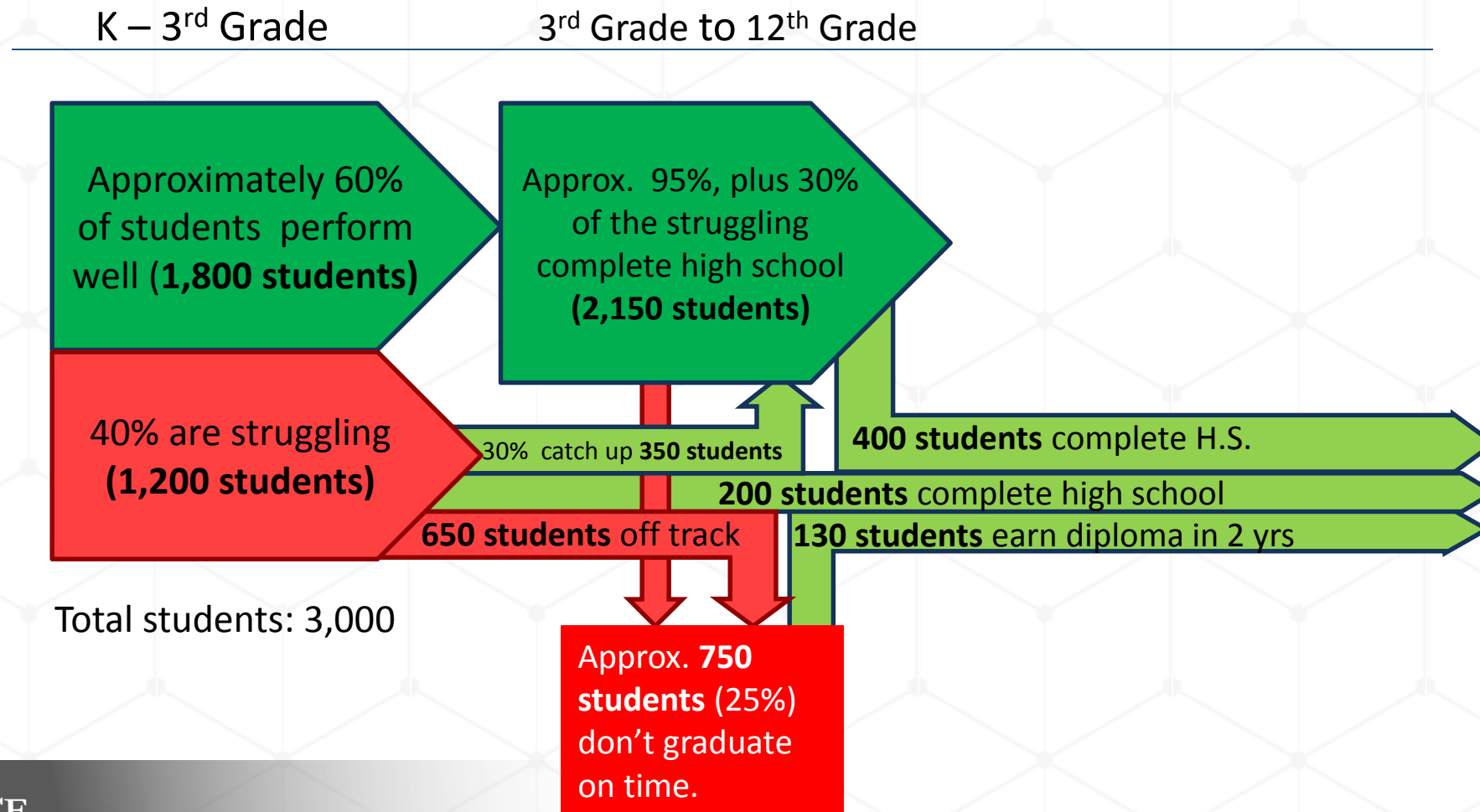
Student Success– *Back of the envelope estimation (KRESA)*

K – 3rd Grade

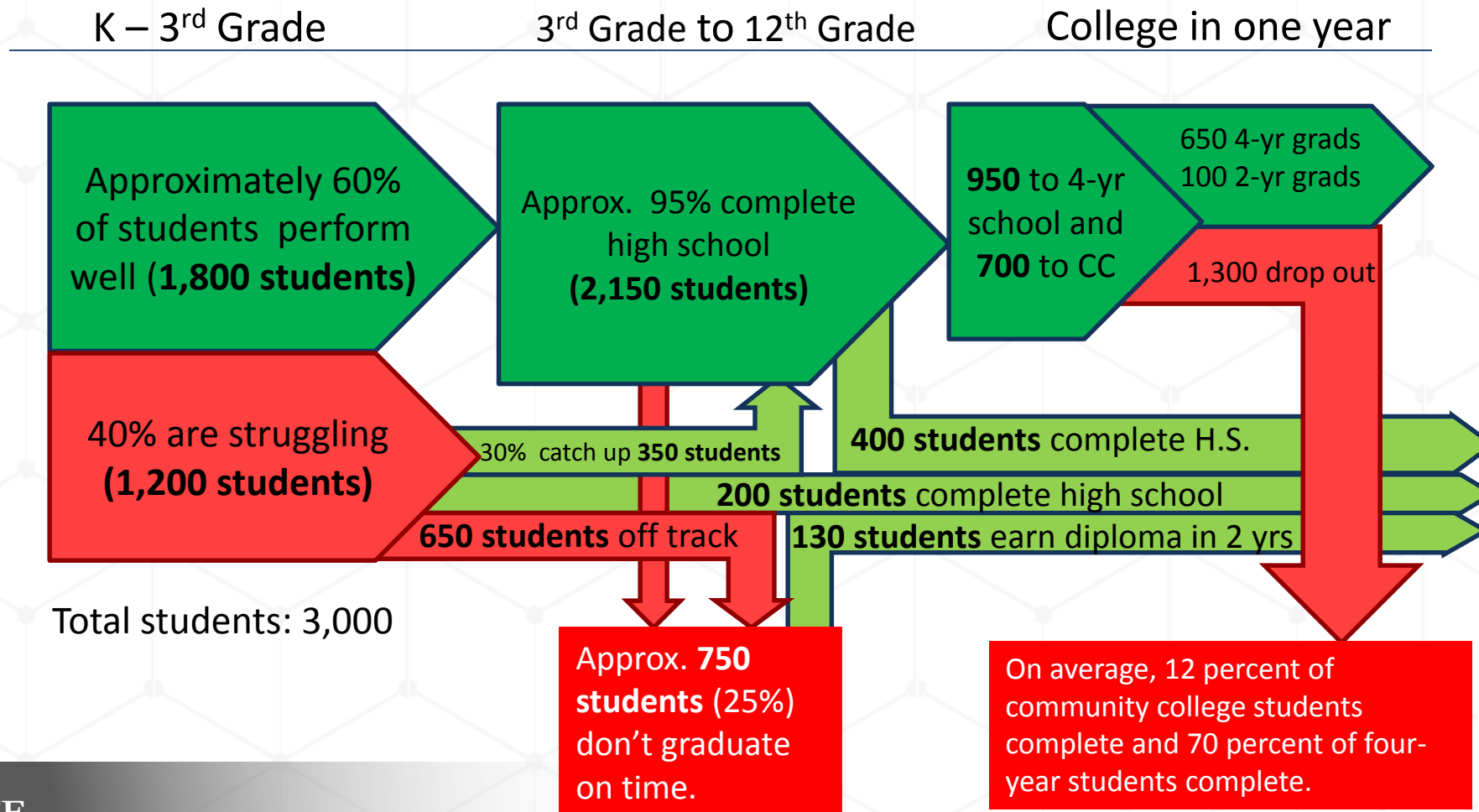


Total students: 3,000

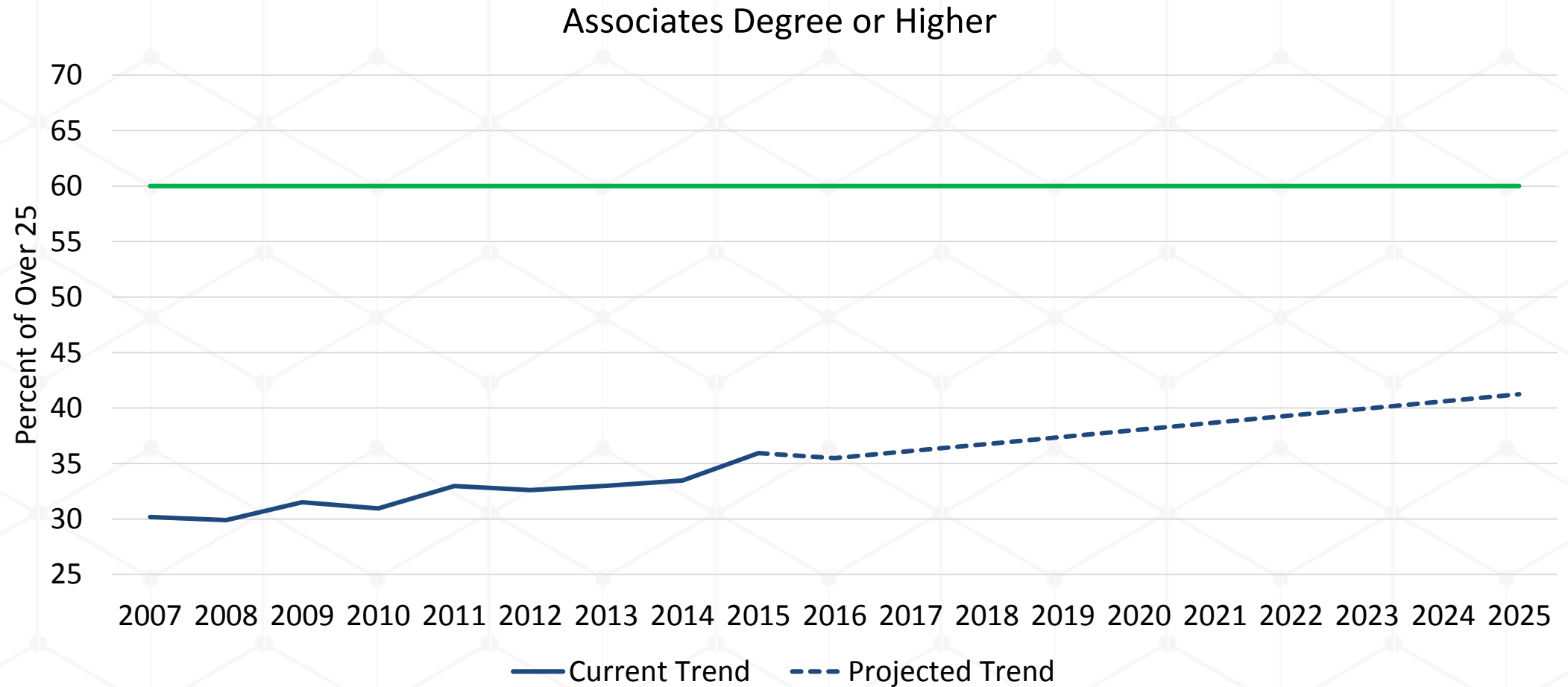
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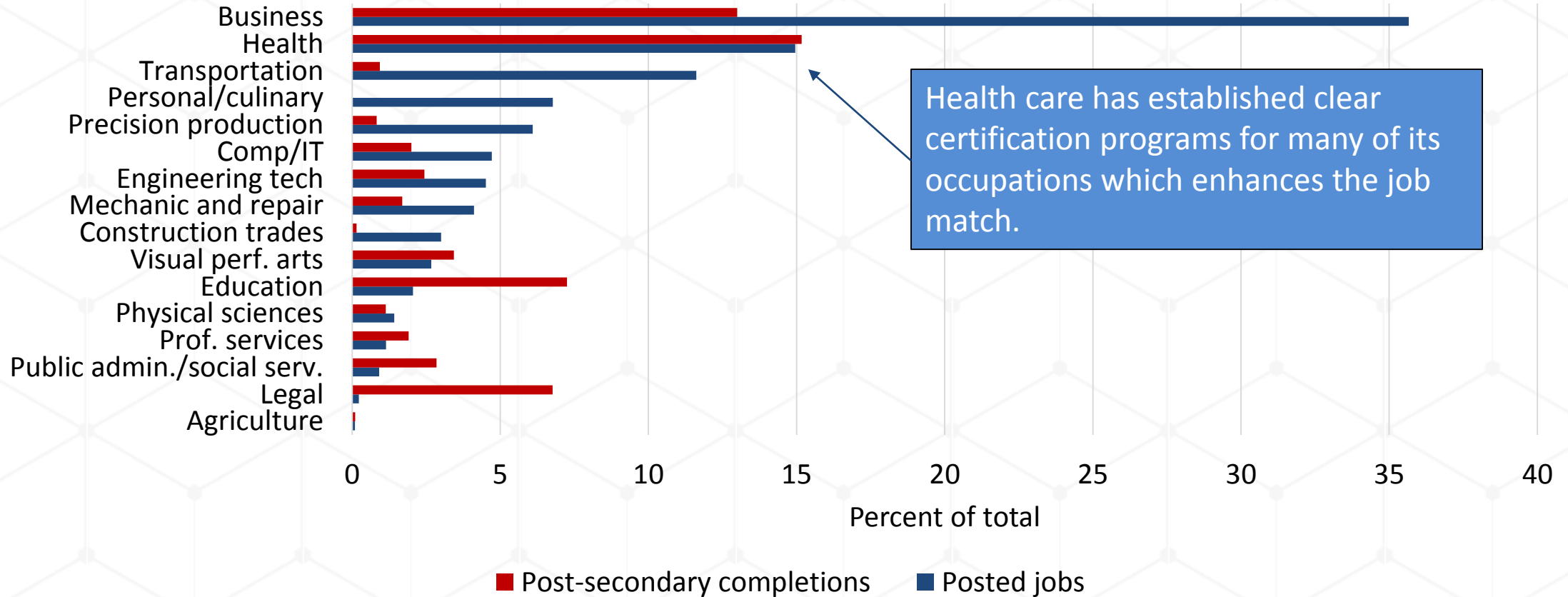


The Region is Far Below the Education Levels Future Work will Demand



Posted Openings and Completions Do Not Match

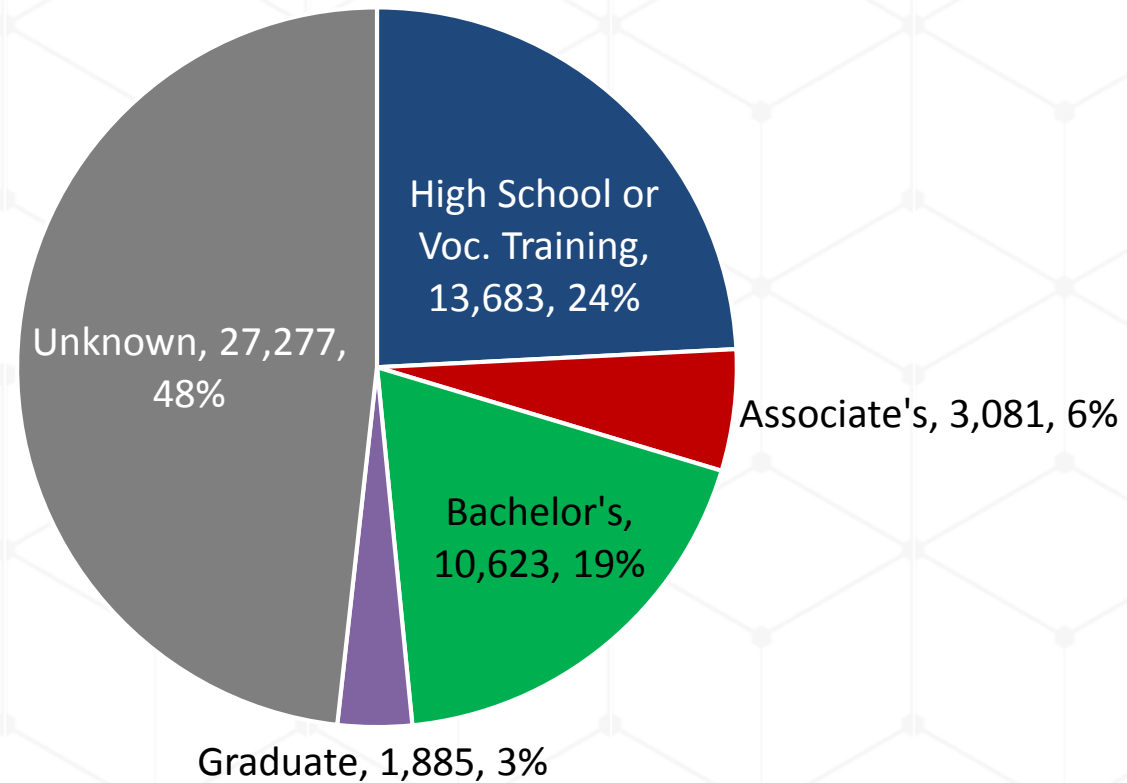
Post-Secondary Completions and Posted Employment



Health care has established clear certification programs for many of its occupations which enhances the job match.

Only One Half of the Job Postings Include Educational Requirements

Job Postings in 2016

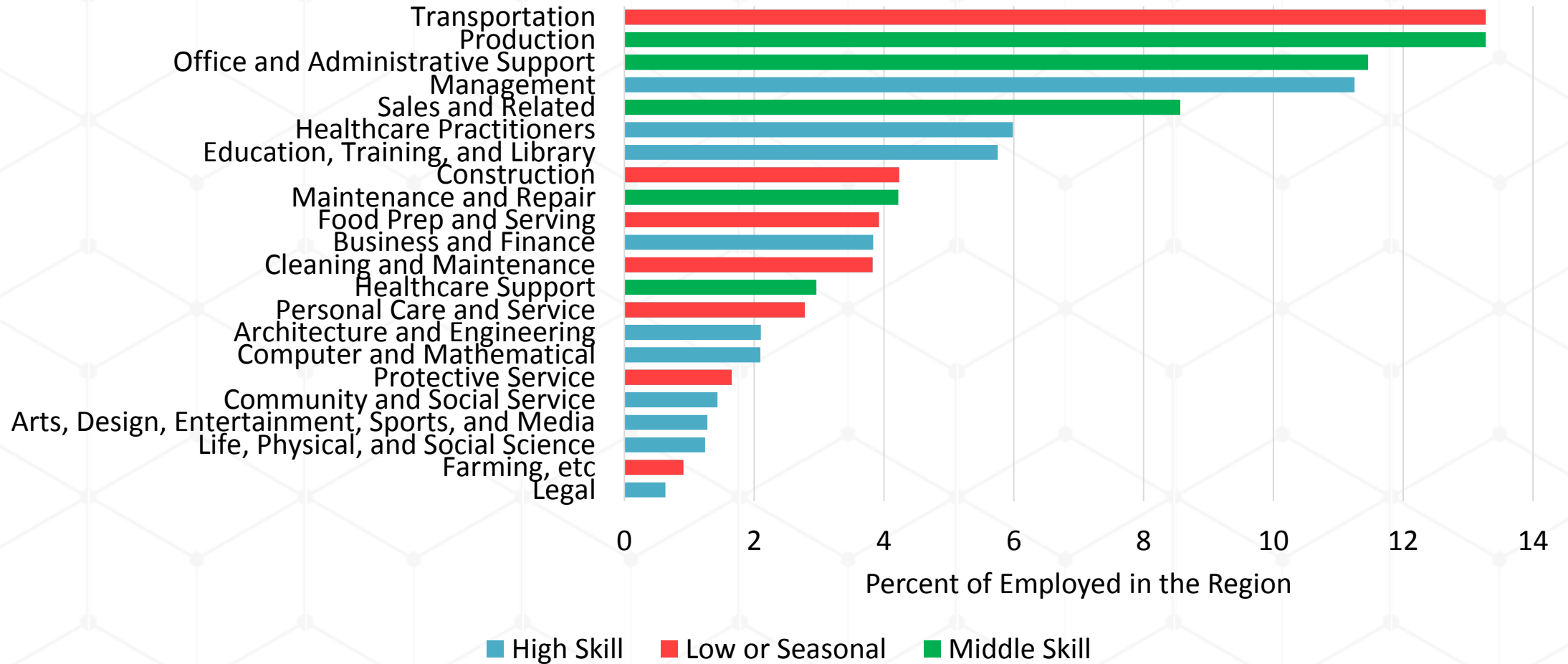


SKILLS AND EMPLOYMENT MISMATCH

Challenges

- Certain skills are needed in the region, but those looking for work may not possess them
- Attaining the skills needed is not straightforward
 - Many are soft-skills and difficult measure
- What else?

Regional Concentrations of Occupations



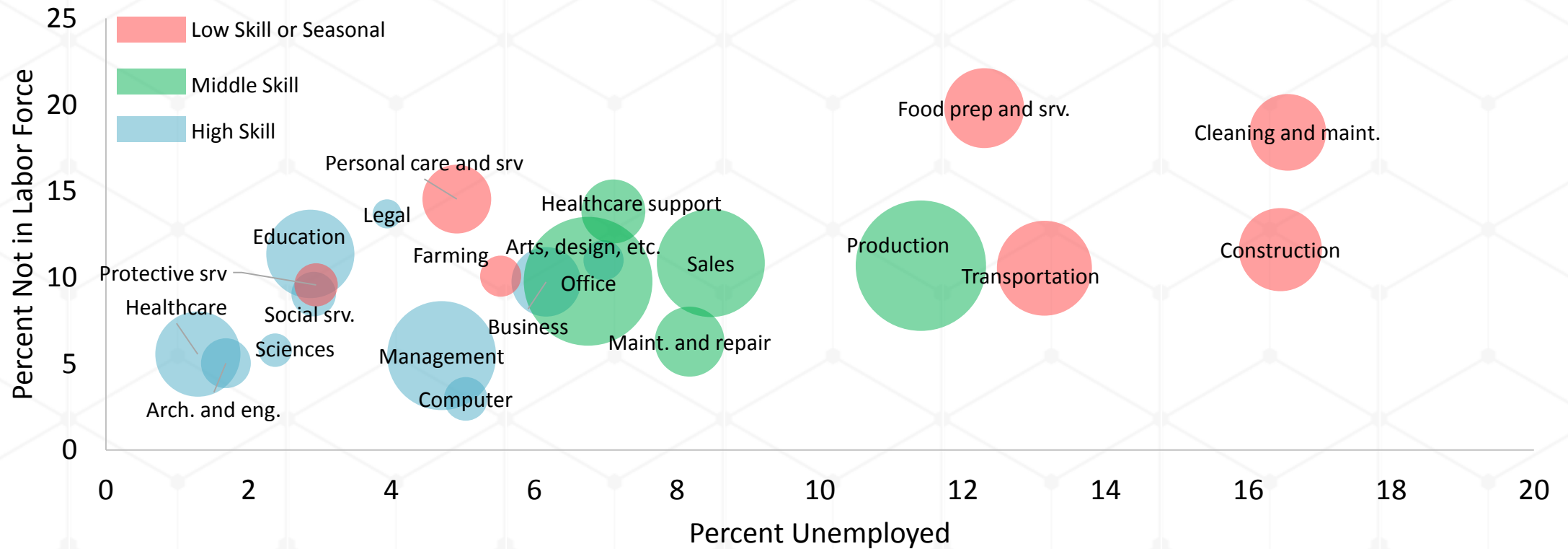
Lower Skill Occupations are More Vulnerable to Market Volatility

2007 – 2009 Average



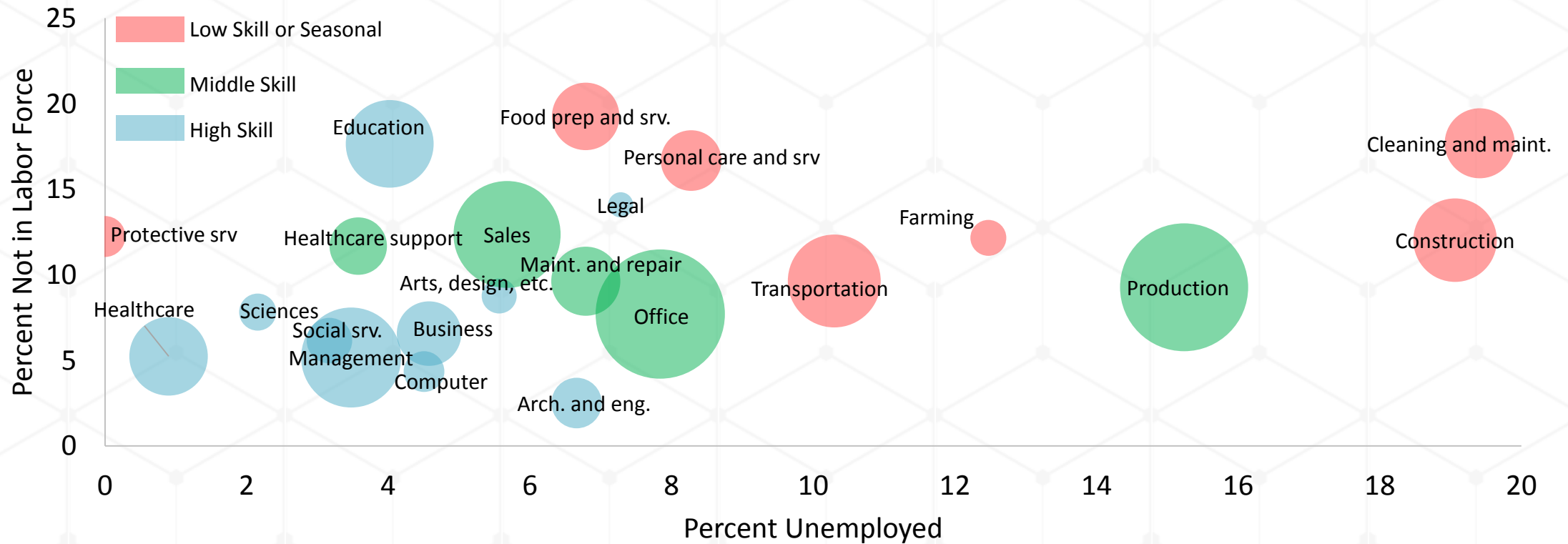
Lower Skill Occupations are More Vulnerable to Market Volatility

2010 – 2012 Average

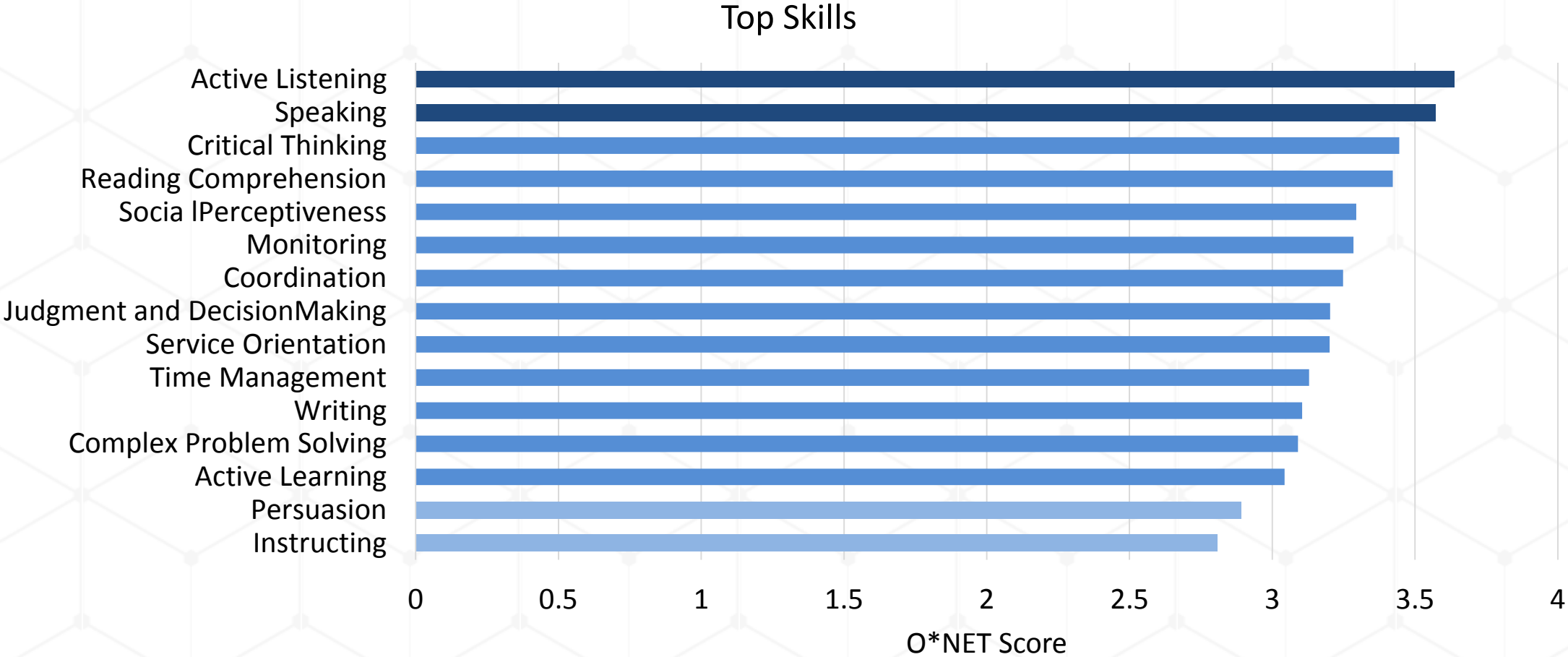


Lower Skill Occupations are More Vulnerable to Market Volatility

2013 – 2015 Average



Top Skills Needed for Employment in the Region

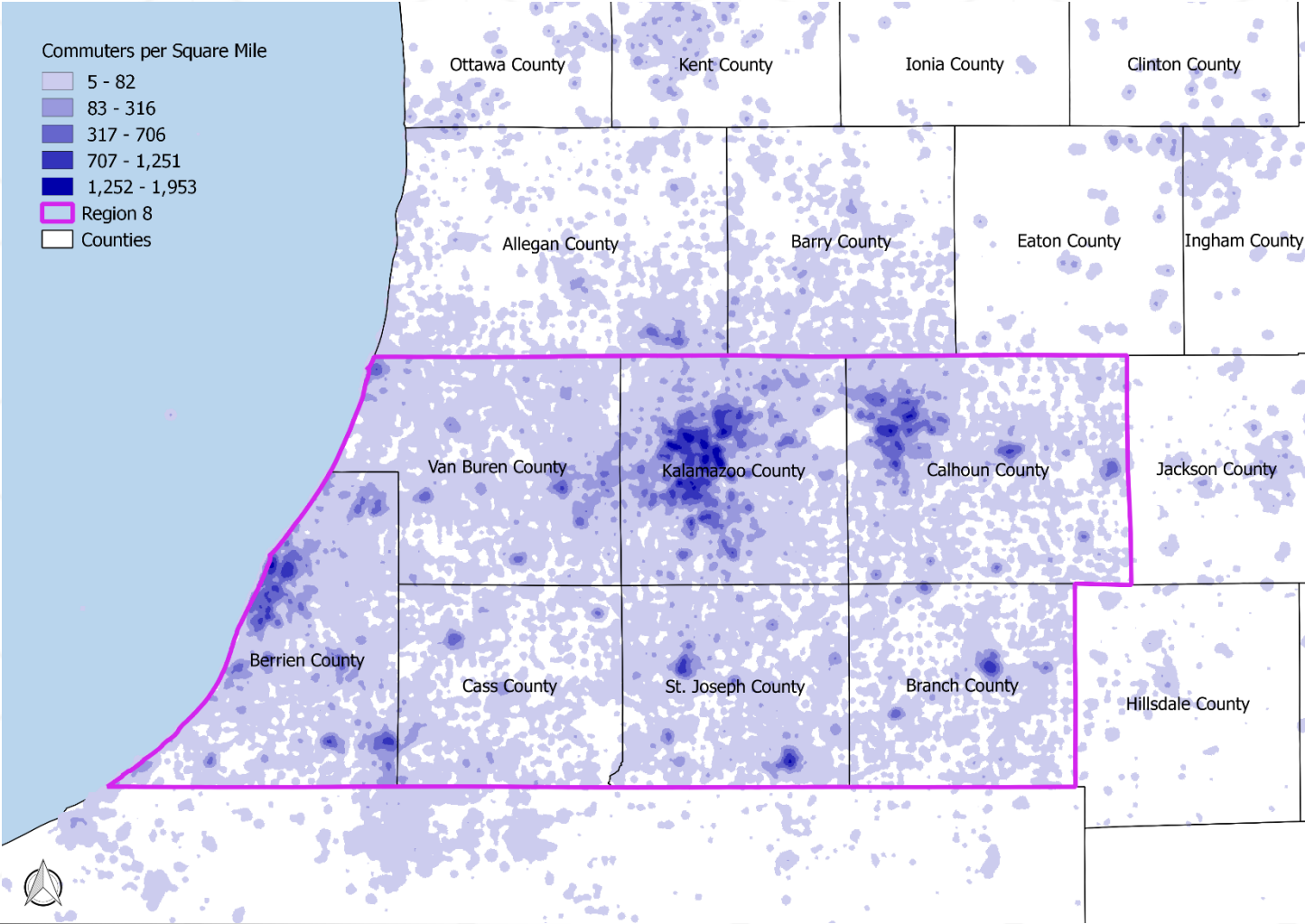


GEOGRAPHIC MISMATCH

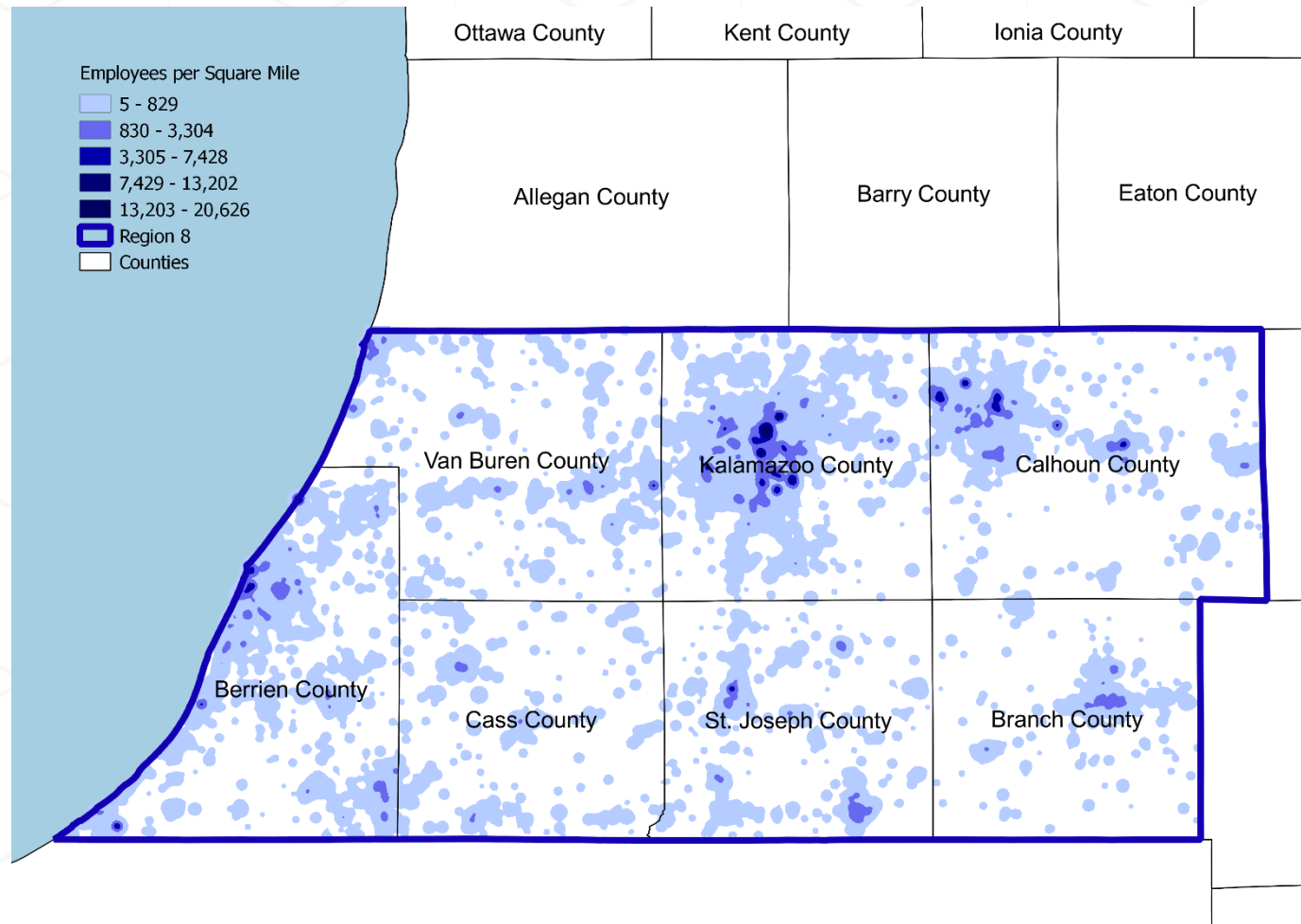
Challenges

- Transportation is a barrier for many workers in the region
 - Car ownership is an expense many low-skill workers cannot afford
 - Low-skill employment is rarely near employment centers
- Rideshare programs are often underutilized
- Public transit is often difficult to coordinate with childcare and other needs
- What else?

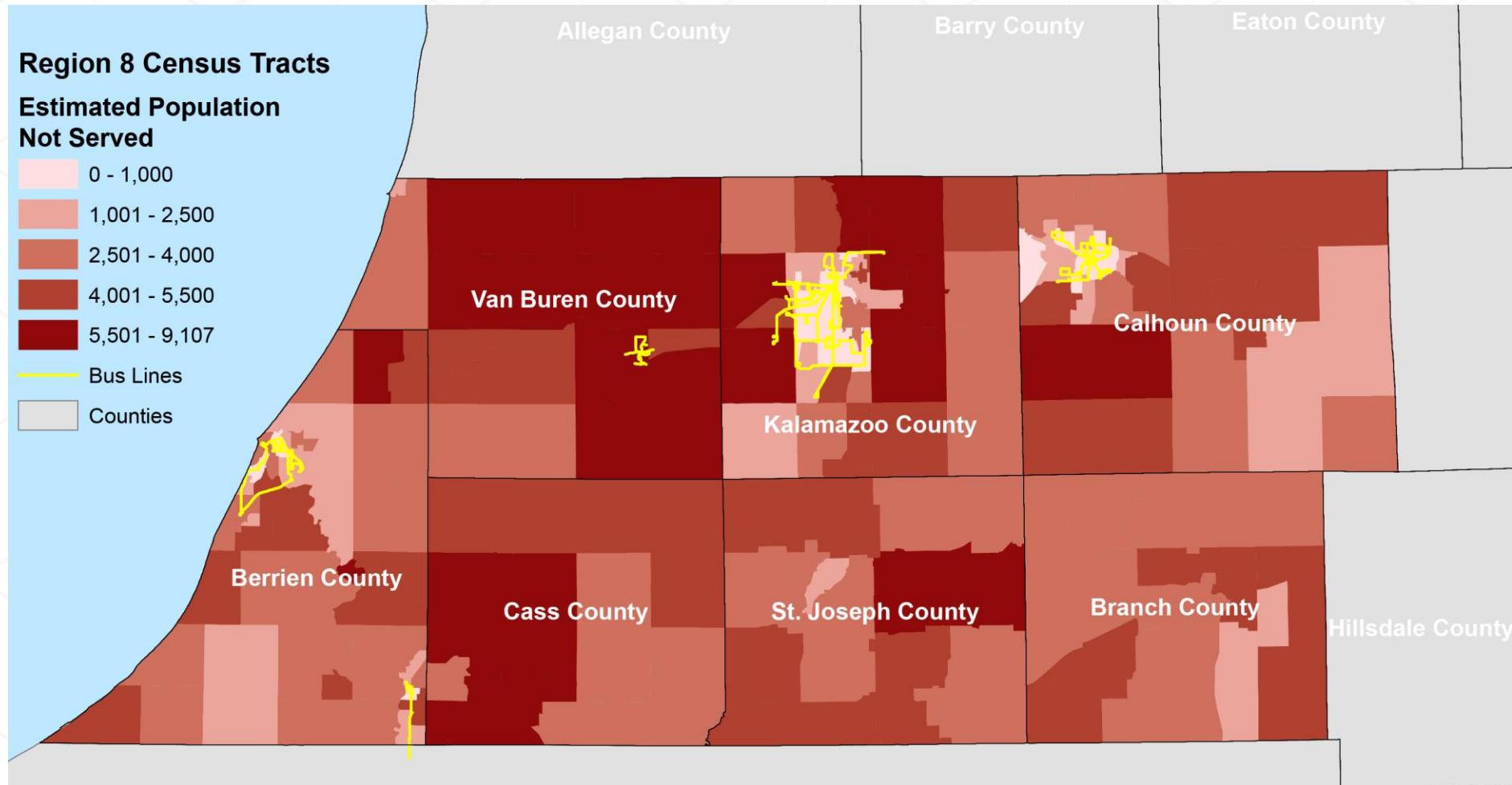
Employees might not live near job opportunities



Where the Jobs are Located



Transportation Access is Critical to Finding and Keeping Employment



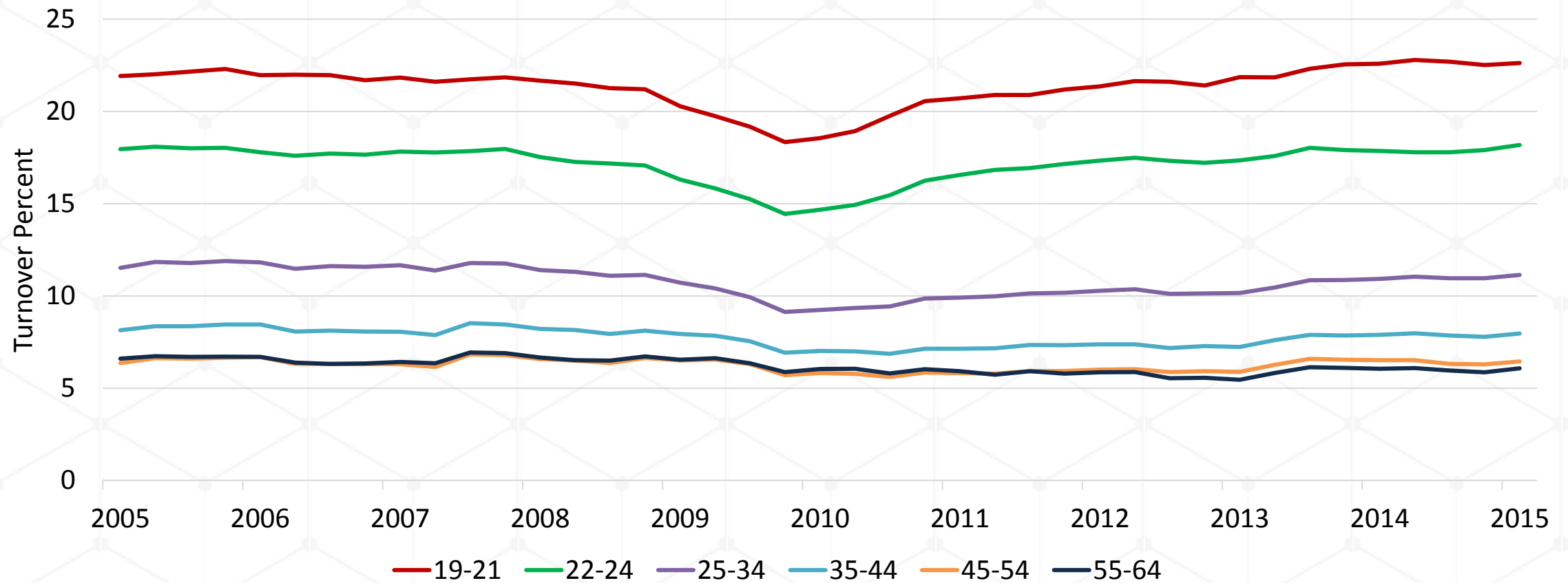
EMPLOYEE PREFERENCES MISMATCHES

Factors that are Known to Cause Turnover

- Age
- Wages
- Workplace environment
 - Culture
 - Inconsistent or limited work schedules
 - Social supports
 - Work-life balance, childcare, transportation, work hours, leave time
- Occupation or work type preferences
- Economic conditions

Impact of Age and Economic Conditions on Turnover

Turnover by Age (four quarter moving average)



Age of Exploration

- Youth is associated with higher turnover rates
 - The median length of time 20- to 24-year-olds spend in a job is just 16 months
- Younger workers changing jobs in order to find their preferences
 - Exploring industries and occupations
 - Exploring workplace environments
 - Exploring commutes
- Younger workers are also more willing to move to other regions or states for a number of reasons

Employee Preferences

- Preferences influence career choice decisions and are critical determinants of job attitudes and work motivation
- 60% of employees state the “ability to do what they do best” is very important to them regarding their job
- Research on “affective forecasting” shows that people are bad at predicting how much they will like something in the future (including jobs)
- Losing an employee is costly to employers
 - It costs between \$2,000 and \$7,000 to replace an employee

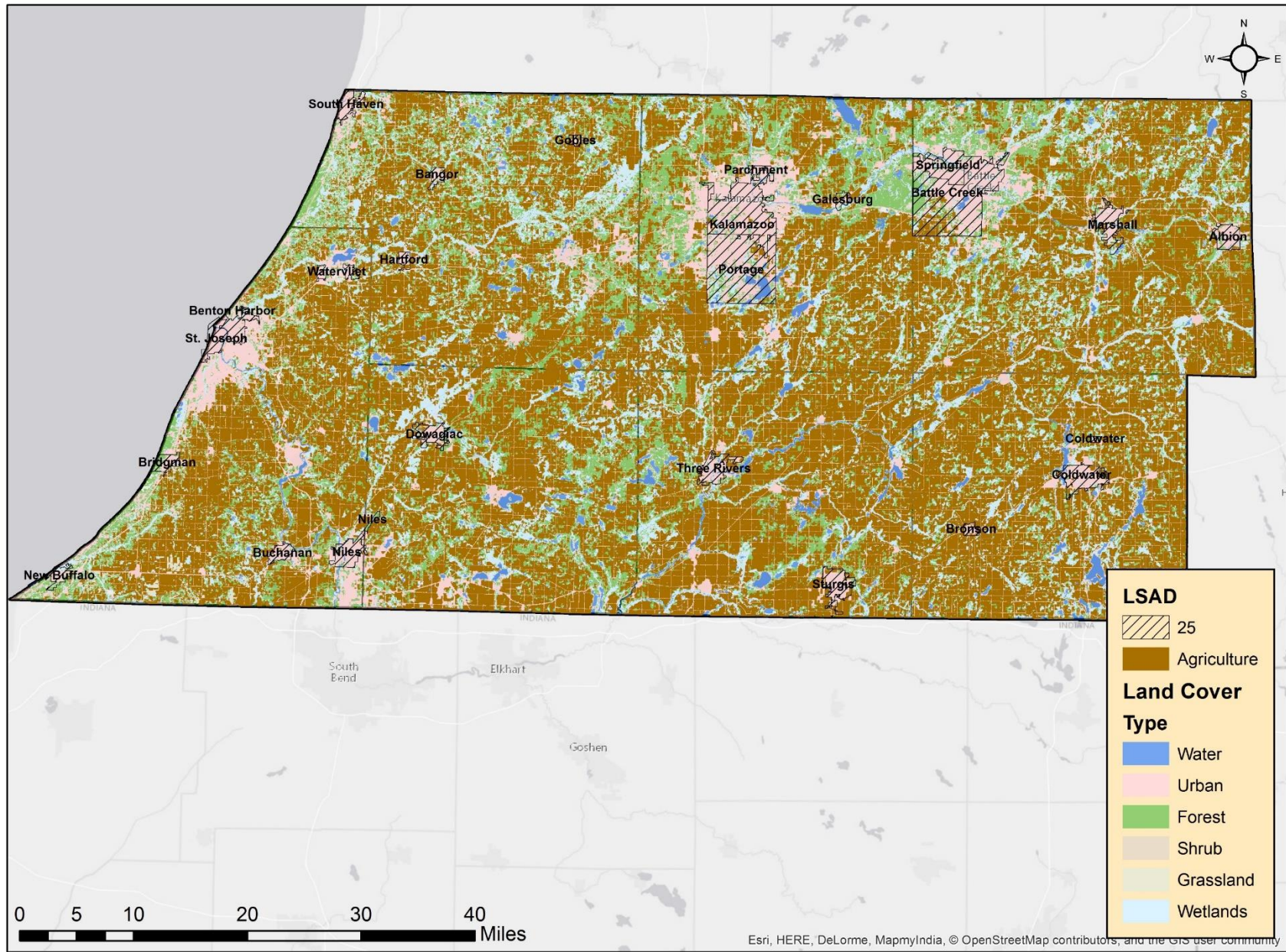
Sources: Gallup. “The Dream Job.” March 1, 2017.

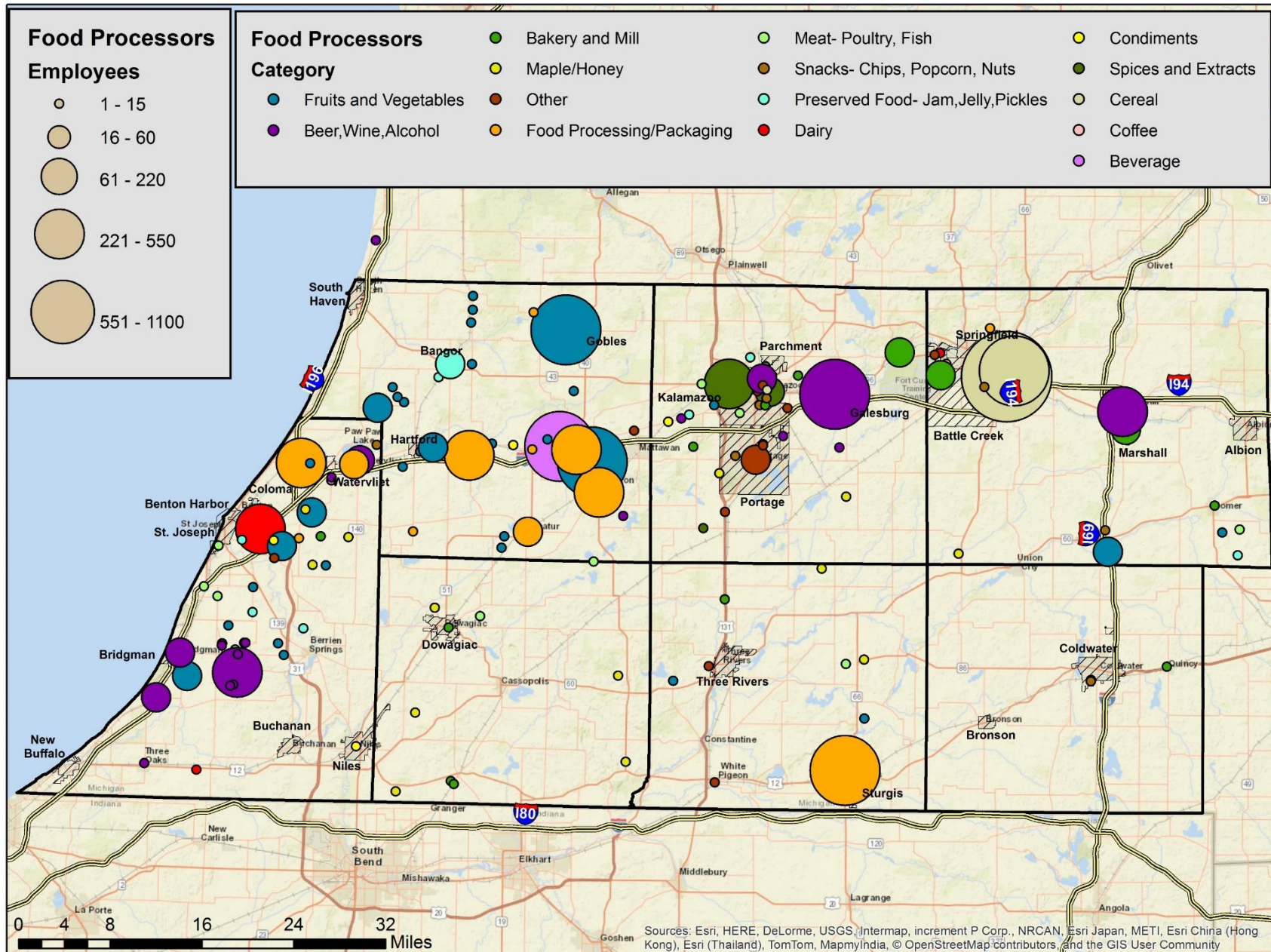
Wilson, Timothy D., and Daniel T. Gilbert. “Affective forecasting.” *Advances in experimental social psychology* 35 (2003): 345-411.

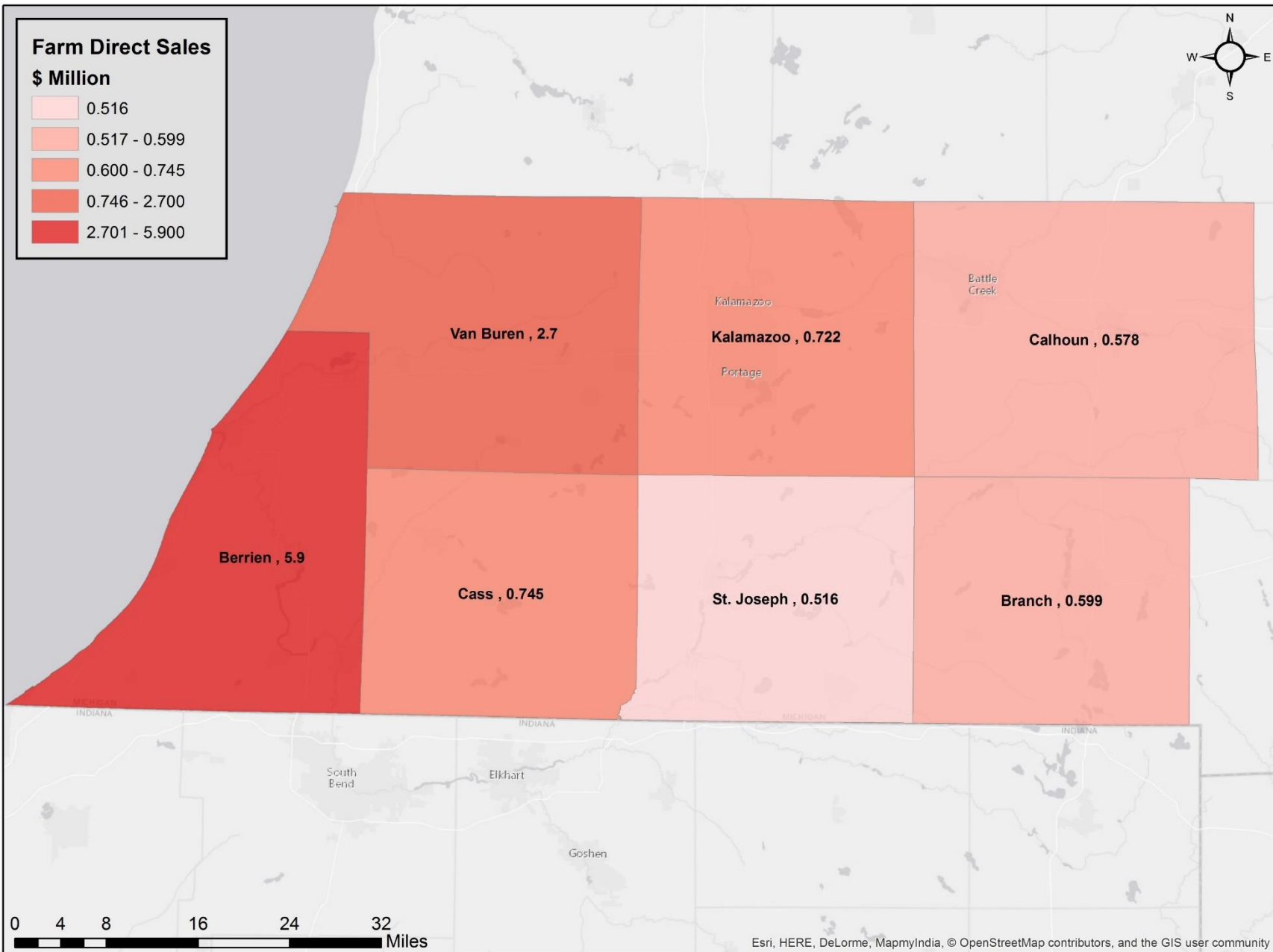
Bureau of Labor Statistics. “Employee Tenure in 2016.” September 22, 2016.

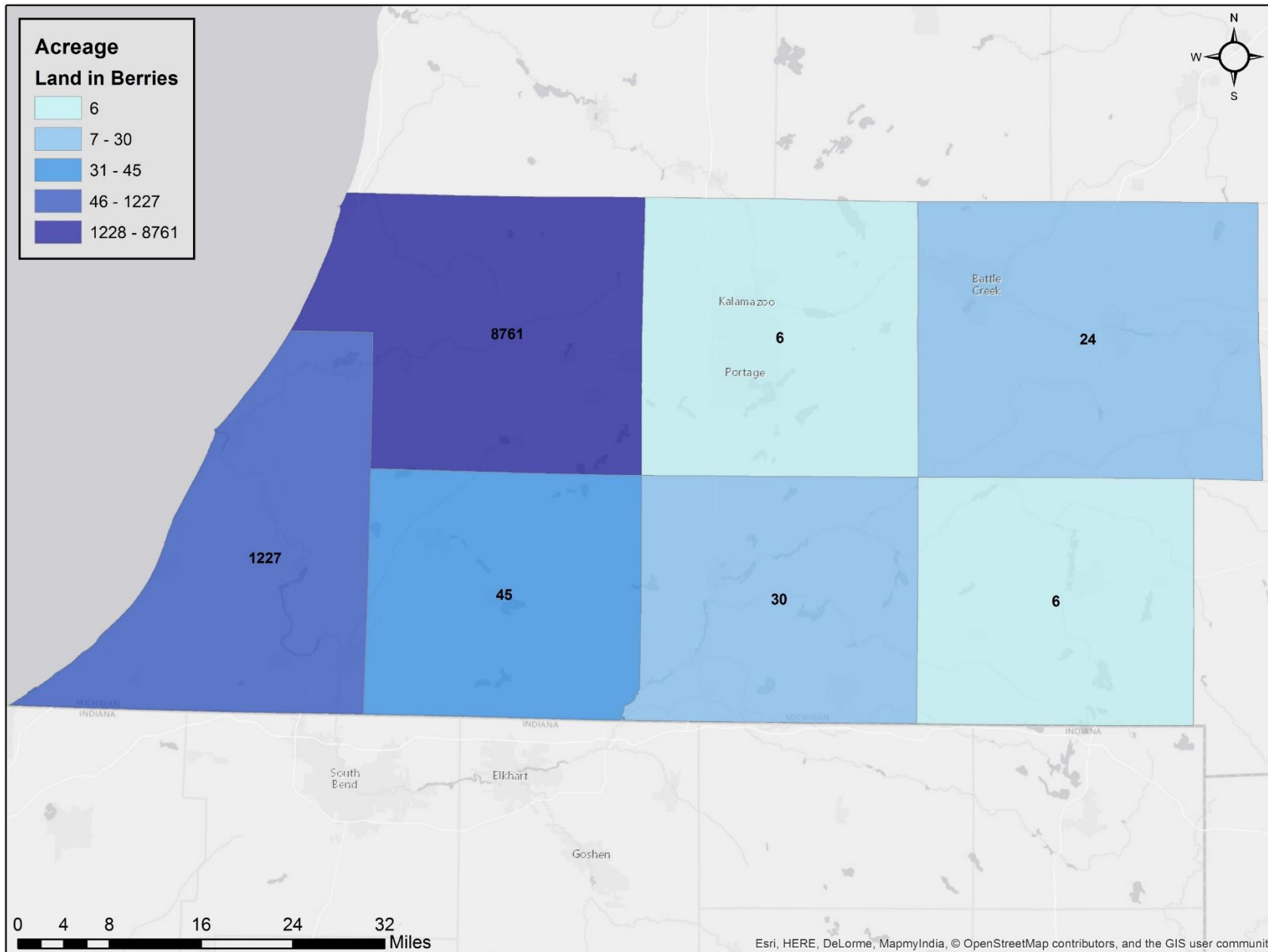
Dube, Arindrajit, Eric Freeman, and Michael Reich. “Employee Replacement Costs. IRLE Working Paper #201-10. March 2010.

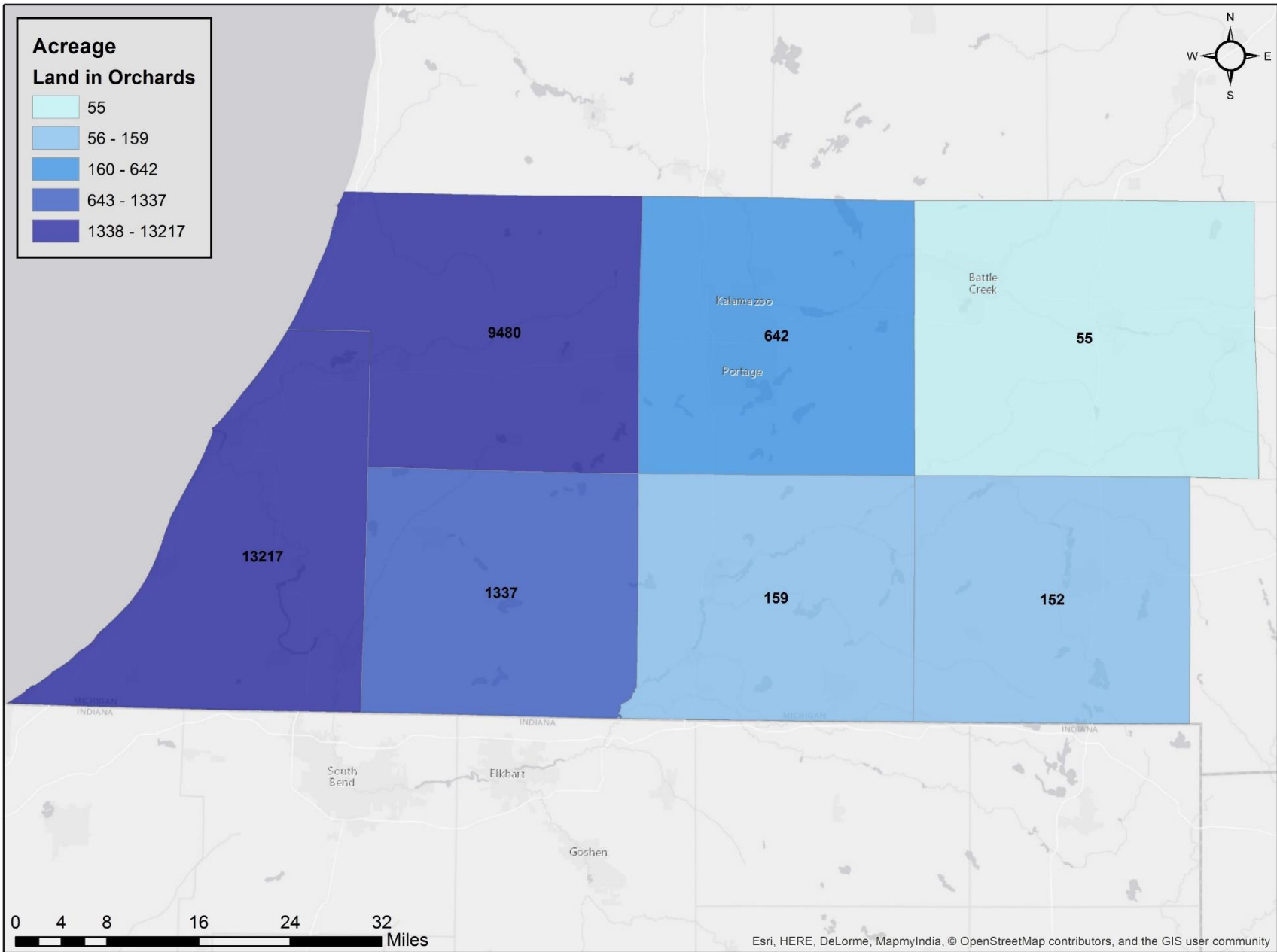
AGRICULTURE FOCUS

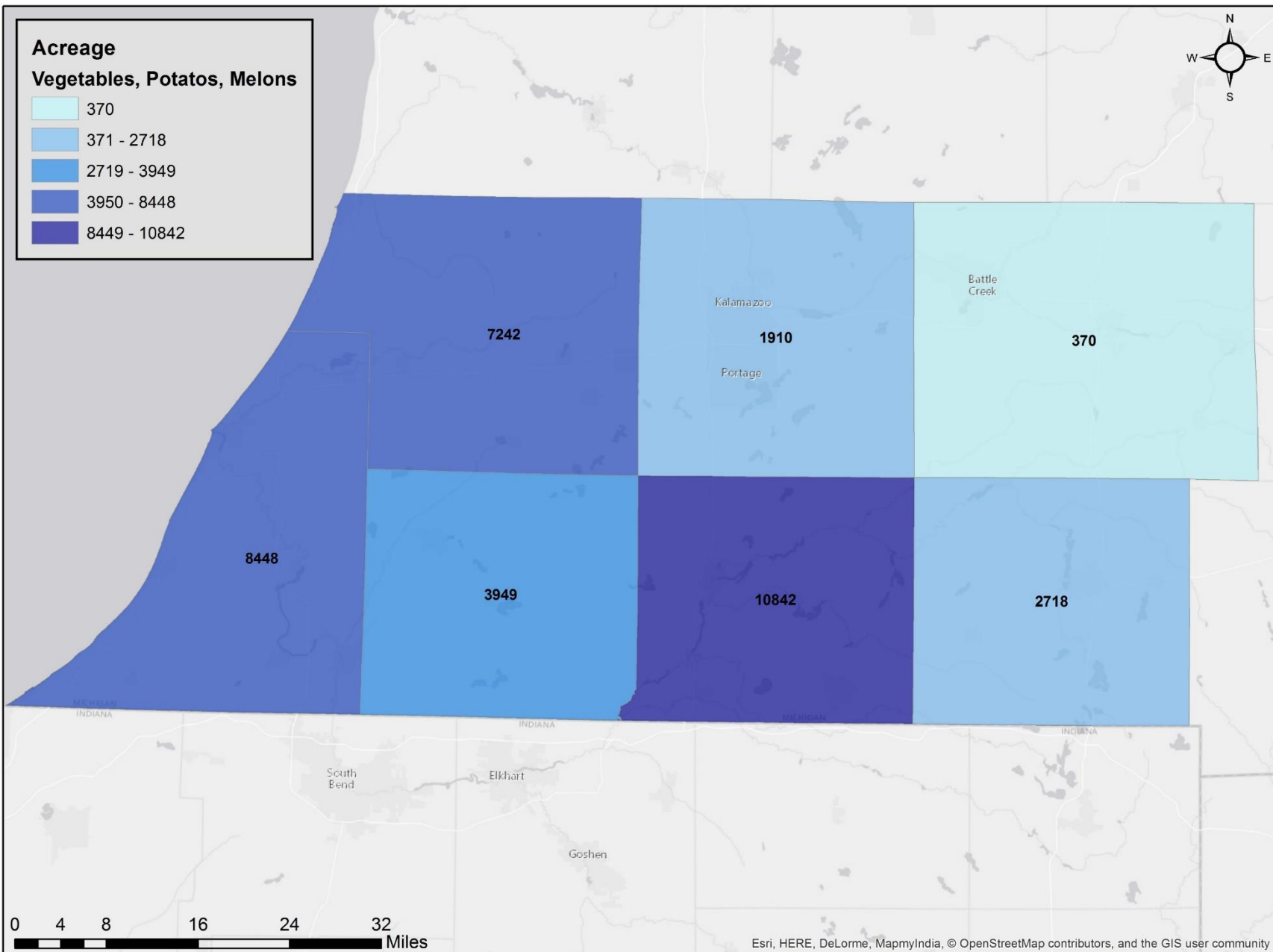


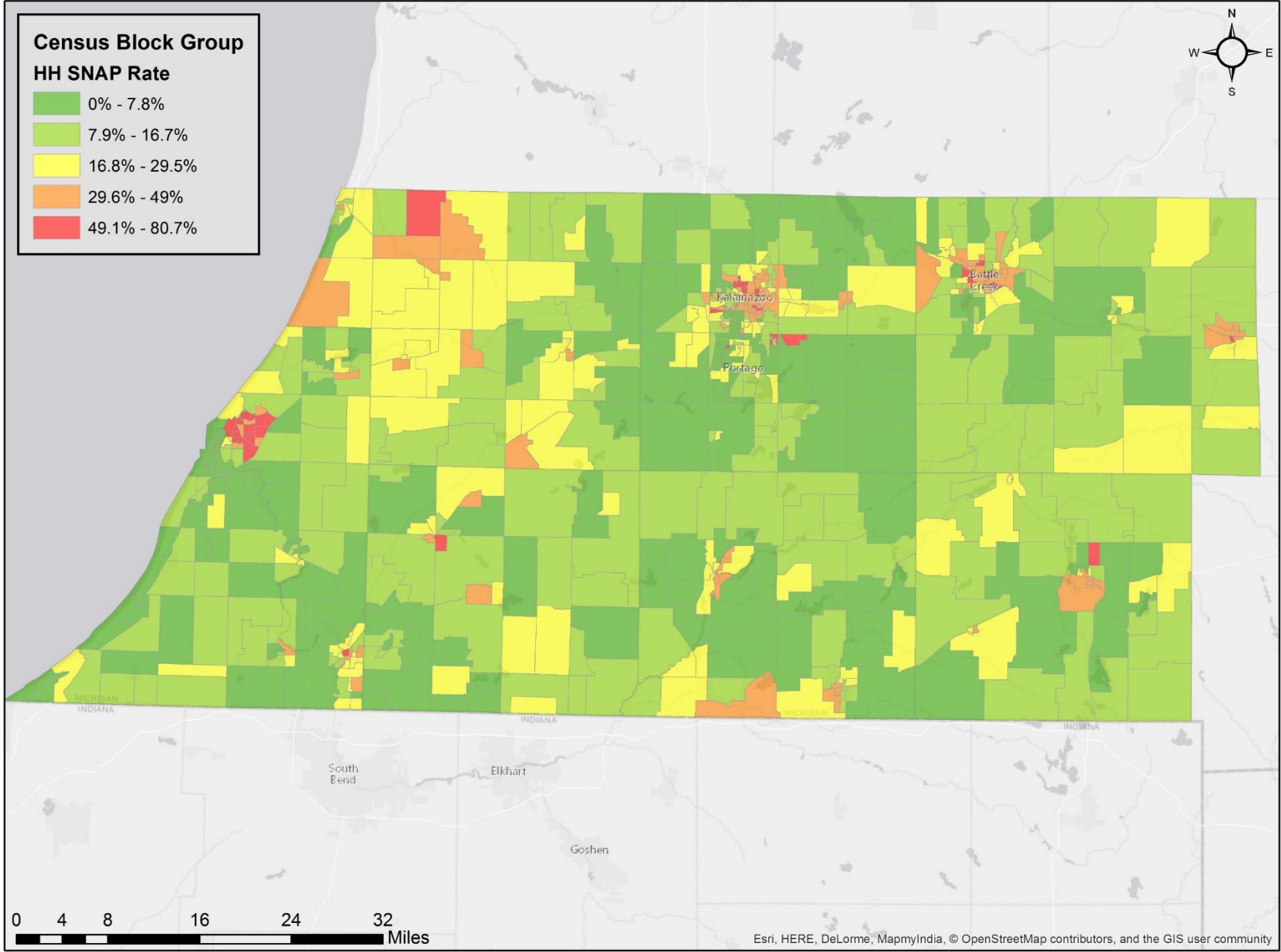


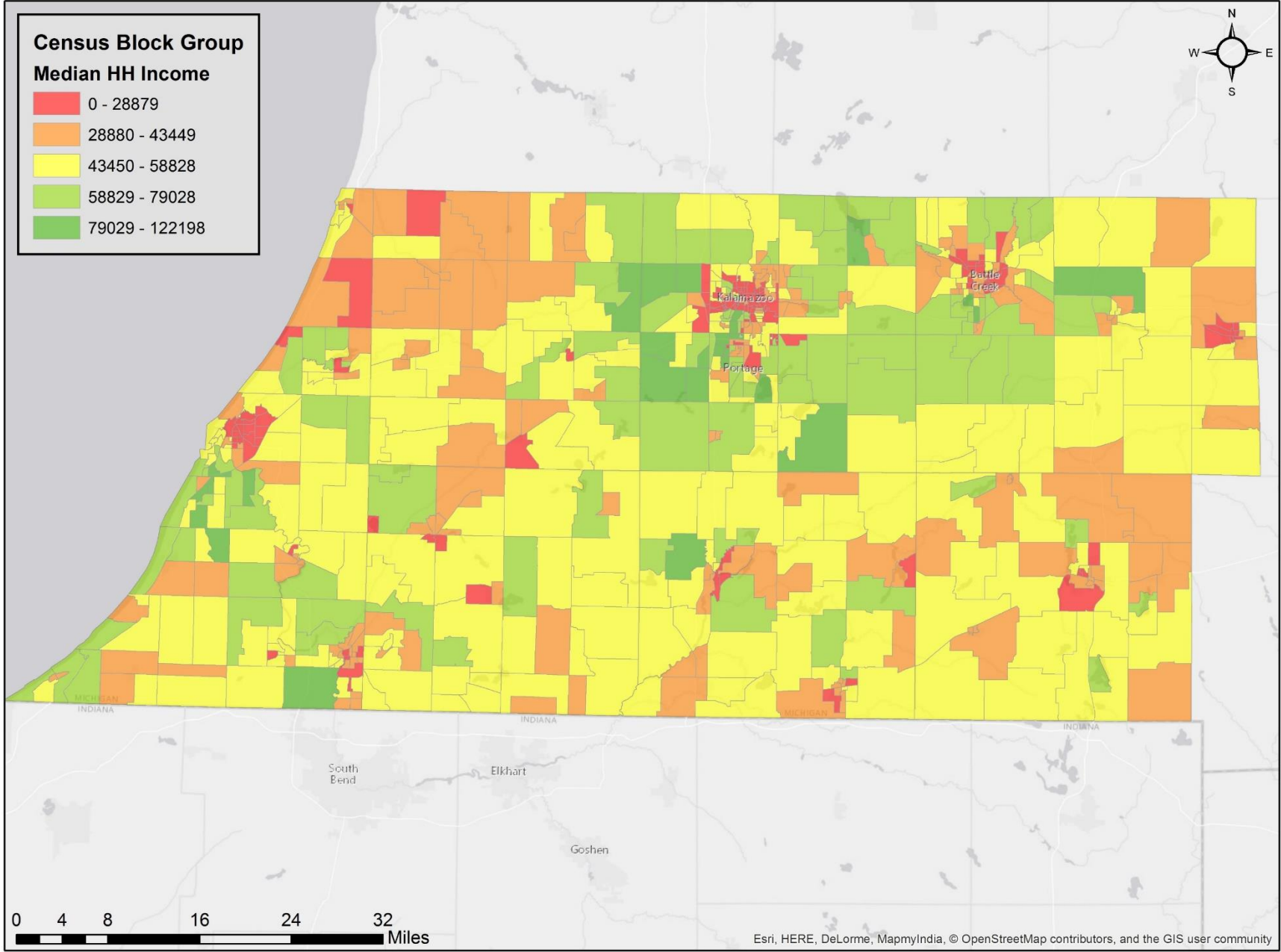












Next Steps

- How can we do to improve information flow between employers and jobseekers?
- What can be done to lower turnover?
- We will synthesize input from various meetings with collected data in order to develop strategies to address current inefficiencies
 - Explore the current efforts to improve labor market conditions
- Continue the conversation