

WORKFORCE DEVELOPMENT COUNCIL

317 W. Main Street
Boise, ID 83735-0790

TRANSMITTAL # **5**

MEMORANDUM

September 11, 2006

TO: Workforce Development Council

FROM: Karen A. McGee, Chair

SUBJECT: e³ - A Continuing Dialogue

A handwritten signature in black ink, reading "Karen A. McGee", is written over the "FROM:" line and extends into the "SUBJECT:" line.

ACTION REQUESTED: Provide direction to staff for continuing action

BACKGROUND:

During the month of August, the Workforce Development Council and the Economic Advisory Council hosted six regional dialogues as a follow up to the January Economic Symposium. The purpose of these sessions was to hear the views of business and community leaders on the most pressing economic development, workforce development and related education issues in each region of the state.

Each forum began with an introduction to the mission of the Workforce Development Council and the Economic Advisory Council and was followed by a presentation by the Regional Labor Economist. The regional dialogues demonstrated the unique character of each region while reflecting the composition the dialogue group. Draft reports for each region are attached. While unique in many respects, common themes emerged across the state that can be used by the Councils to direct activities and resources.

In reviewing these recommendations, it is helpful to consider the labor market context. In the last few years, Idaho has experienced rapid population and job growth. Idaho led the nation in the creation of nonfarm jobs during the second quarter of this year when compared to a year earlier and our population is growing at two and a half times the national rate. Unemployment rates are continuing to experience record low levels, making the market highly competitive. Businesses continue to come to Idaho because of the good business environment, the relatively low cost of doing business and the quality of Idaho

workers. Individuals and businesses alike are choosing Idaho as a destination because of our high quality of life and relatively low cost of living. This rapid growth in the population and job market is causing some imbalances that are demonstrated in the comments we received. Comments also reflect the changing nature of work and demands for greater skill levels as well as the changing face of the labor force. Many participants also cited needs for enhancing the infrastructure. The comments are best viewed in the context of our request to the participants, “What can be done to maintain and enhance our economic vitality?”

- Access to a high quality, skilled workforce was often cited as a major issue for business. Skill shortages are being experienced across the state particularly in health care, manufacturing and construction. In some regions, growth in the labor pool is not keeping pace with job growth resulting in shortages across all sectors. Depending on the region, the highly educated and under-educated are identified as having skill sets that are mismatched to the technical skills being sought.
- The population is “aging” with the growth of the 65+ cohort predicted to grow by 19% between 2005 and 2015. With the retirement of the baby boomers looming, vacancies are predicted in critical sectors such as science and engineering, health care, education, construction trades and manufacturing. The growing number of seniors, who are attracted to the state as a retirement destination, are creating a demand for recreation, finance, and health care services and the workers who provide them.
- Fewer young people are available to fill the vacancies created by the aging boomers. Young people are reportedly relocating because of the rising cost of living and lack of awareness of opportunities available to them.
- In spite of rapid job growth, seniors, people with disabilities, dislocated workers, TANF recipients and other poor individuals, and the under-educated remain as part of an untapped labor pool that could fill skill shortage areas.
- Various policies to increase the size of the labor pool and address skills shortage areas were recommended. Incentives for incumbent workers or other training in skill shortage areas was recommended across the state as were policies for recruiting, retaining or retraining older workers. Needs based scholarships and other supports that would allow low income individuals access to training were cited. A recommendation was made to offer education reimbursement or other incentives to entice young people to remain or return to the area. Participants also recommended various options for recruiting workers to the area using techniques typically used for attracting businesses. Access to education and training was also cited.
- Parents, teachers, students and those already in the workforce lack awareness of the regional labor market, and the job opportunities, skill sets, training and resources available for workforce preparation. Greater opportunities for career counseling and coaches in the education and workforce system was reported as one means of increasing awareness as were statewide and regional awareness campaigns and industry directed efforts.

- The perception of professional-technical education and the opportunities it provides are disconnected from the realities of the labor market. Many opportunities with good starting pay and opportunities for advancement are available following training. Few jobs that pay quality wages are available without some postsecondary training, and a baccalaureate degree cannot be viewed as the only means to success.
- Improvements are needed in the K-12 pipeline to better prepare students for work and further learning. Increases in science and math were cited along with needs for training in “financial literacy” to better connect career awareness and decision making with education and training needed to obtain quality jobs. As in past studies, training in work habits and skills, work ethic, job seeking techniques and other work behaviors were cited as being important to enhance the quality of the workforce. The value of early education was cited as a critical foundation for further learning and prevention of drug abuse and other criminal behavior.
- Low cost access to postsecondary preparatory and career technical education is critical to preparation of the workforce for jobs in demand now and in the future. Participants cited the need for a community college system with multiple delivery points and use of technology to ensure wide access to training and retraining. Participants also recommended reducing costs for online learning.
- The partnerships among business, education and government must be strengthened to ensure the availability of a well trained workforce that can adapt to changing work demands. Business can assist with career awareness, internships, policies and practices tied to educational achievement and partnering with education to ensure that the skills needed on the job are taught. Education and government can assist by responding to training needs and offering incentives to business to train their workforce.
- Participants in several areas voiced concern that wages are not keeping pace with cost of living. Housing costs fueled by rapid growth are causing hardships on individuals and their families and creating worker shortages when workers cannot afford to live in the area. The high cost of fuel was also cited as a problem for workers who have relied on commuting and employers who are relying on this workforce. Some called for policies to increase wages and benefits to provide help for working families.
- Drug abuse was seen as a contributing factor in worker shortages. Participants recommended strategies for prevention and recovery to increase the size of the labor pool and avoid the social issues attendant to drug abuse.
- Investments in broadband and other communication strategies were cited as important to economic vitality. Investment in the physical infrastructure for transportation, sewer and water were also recommended. Development of affordable housing and protecting the environment and quality of life were also seen as important to economic growth as were a number of specific regional recommendations.

The participants at the forums offered many insights and miscellaneous comments that should be considered as the Workforce Development Council moves forward with its plans and recommendations for the Governor and the State Board of Education.

Recommendation:

Staff recommends that the information from these forums, along with recommendations obtained at the Economic Symposium in January, and the survey of workforce programs and resources, be used as the basis for developing the Council's strategic plan. Staff further recommends that the Council, working through its committees, develop a state of the workforce report that can be used to direct further action in response to issues identified at these forums.

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Attachments

Region I e³ a continuing dialogue – meeting summary

Key Labor Market Findings:

- Fewer workers are entering the labor force, particularly younger workers and young families. The population is experiencing rapid population growth with the number of retirees on the increase. Workers in the prime 25-39 age group has declined by 70% compared to 10 years ago. Much of the workforce in the traditional industries of mining, timber and railroads are in their 50s and 60s.
- The area is experiencing unprecedented job growth; manufacturing jobs grew by 15.7% between 2000 and 2005, while overall covered employment rose by 19.3% during the same period. Construction added 1700 jobs in Kootenai County during the last two years. The manufacturing industry is losing workers to construction because construction can continue to raise wages. This has also impacted “strong back” industries such as landscaping and warehousing. Health care continues to experience higher growth than any other industry.
- Wages are on the increase but remain lower than those in much of the country. A particular challenge is that neighboring Spokane pays about 12% higher. All industries have experienced upward pressure on their wages due to the tight labor market.

Challenges:

- Too few young people are staying in the area; as an example, 70% of the Post Falls high school students moved out of the area. The group questioned whether graduation rates were dropping or whether students simply were leaving the area. Drug use was also cited as a potential problem keeping younger workers out of the labor pool.
- There is a lack of understanding among teachers, parents and students about the relationship between education and work and the opportunities available in the community.
- There is not enough attention to career education at the secondary or post-secondary level. Good jobs remain open in manufacturing and other technical areas due to the lack of a skilled workforce.
- Rapid growth is causing pressure on wages but cost of living, particularly affordable housing is a barrier to attracting workers. Industries that must control costs are losing workers to construction since it is less constrained by cost pressures.
- In spite of record job openings, some groups of workers remain outside the active labor force. Older workers, persons with disabilities and those with inadequate education, still find it difficult to fully participate in the workforce.
- WIA performance standards are perceived to exclude older workers and requirements for directing training to low income students is considered a barrier.

Strengths:

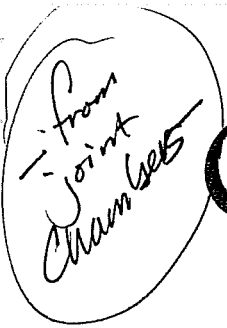
- The community is active and engaged through a Chamber consortium, a manufacturing consortium and other community groups to solve workforce issues.
- A four-city Chamber of Commerce consortium has developed a plan to:
 - Provide recruitment assistance through annual job fairs, job posting of job boards, co-op recruiting at colleges and training for businesses in recruitment and retention skills;
 - Bring “respect” to technical-professional careers by strengthening the business-education partnership to organize facility tours for students; provide summer internships for teachers and counselors, and develop a speakers bureau;
 - Secure added funding for professional-technical education at all levels;
 - Create immediate training programs;
 - Support a business education partnership to give priority to skill set certificated applicants; provide advice and input to professional programs, and assist student workers;
 - Make the community more attractive to young workers and their families by developing affordable housing and finding meaningful work for spouses; and
 - Create attractive lifestyles.

Recommendations/solutions:

The group made the following recommendations for community, regional and state action:

- Increase awareness of the education/career connection for parents and students :
 - Increase number and visibility of career counselors;
 - State needs to contribute to career awareness by promoting jobs available, wage rates, training opportunities, etc.
 - Develop a marketing campaign directed to parents;
 - Develop and/or provide classes to high schools students in financial literacy related to career decision-making.
- Expand the quality and size of the labor pool
 - Support employer incentives for incumbent worker training
 - Identify key industry clusters and develop/provide training to meet skills gaps (note that manufacturing was repeatedly identified);
 - Identify groups of individuals who have not traditionally participated and bring them into the workforce via recruitment and training, including adult education (disabled, older workers, underemployed, etc.)
 - Retain youth in the community by offering incentives to remain in the community (education credit/reimbursement);
 - Train employers in retention strategies and techniques tied to labor pool;

- Help structure business, education, workforce partnerships (suggested workforce representatives serve on the board of education and the model in Japan).
- Change WIA rules to allow for incumbent worker training and encourage participation of older workers.
- Strengthen Professional-Technical Education
 - Expand support for professional-technical education
 - Increase math/science attainment by relating it to career education and training
 - Funding formula for community colleges should look at performance in relation to PTE response to business needs.
- Additional communication/training by state:
 - Host a summit on best practices
 - Develop and disseminate innovative ideas on recruiting and retaining workers in core industries
 - Host more regional dialogues
 - Host regional dialogue for youth to identify issues/solution



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AREA CHAMBER OF COMMERCE

WORKFORCE STRATEGY

Increasingly, the chambers in Kootenai County are hearing from our members that finding employees is very difficult. Further, some are not able to find individuals with the skills they need. Many of these members have asked that our Chamber become involved in addressing this issue. What follows is the outline of a broad ranging strategy that attempts to address the multiple causes of this shortage.

Background

The causes of this shortage of workers, both skilled and unskilled, are multiple. As identified in an excellent analysis by Kathryn Tacke, Regional Economist for the Idaho Department of Commerce and Labor, they include:

- **Fewer people (particularly young people) entering the Labor Force:** The average number of people entering the labor force each year between 2000 and 2005 has dropped 22% when compared with the years 1990 thru 1995 (from 2,770 per year to 2,160 per year). This is particularly dramatic when we look at younger workers. The number of workers under 25 entering the workforce has dropped 14% (from 760 to 640) while the number of workers aged 25 to 39 has declined an amazing 70% (from 1,270 to 380).
- **Unprecedented Job Growth:** At the same time, Kootenai County is creating jobs faster than almost anywhere else in the country. In both 2004 and 2005, we were in the top five fastest job creating metropolitan statistical areas in the country. To be more specific, according to Kathryn Tacke, "while Kootenai County normally adds about 170 manufacturing and 250 construction jobs during a two year period, it added 520 manufacturing jobs and 1,700 construction jobs in the past two years."
- **Historically Low Unemployment Rates:** Since records were begun in 1970, unemployment in both Kootenai County has never been lower. For the first time, it has fallen below the U.S. average. Further, low unemployment in surrounding North Idaho counties prevents us from drawing workers from them.
- **Wages Remain Low:** Historically, wages in North Idaho have lagged behind both State and National averages. While we have lessened that gap relative to the State during the past ten years, we have fallen further behind the national average. In 2005, the average North Idaho wage was 9% below the Idaho average and 31% below the national average.
- **Low Minimum Wage:** While Idaho adheres to the national minimum wage of \$5.15 per hour, Washington State's minimum wage is \$7.63 an hour. For those at the bottom of the pay scale, a drive to Washington can be very attractive.

What is clear is that we need a multi faceted approach to meeting this challenge. What follows is a first draft of an outline of some of the components of such a strategy.

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Provide Recruitment Assistance

One immediate way to provide assistance is to develop programs and activities that directly assist member businesses in recruiting and retaining employees. Some of those are listed below:

- **Job Fair:** We have already organized and hosted a Job Fair which enabled 100 businesses to meet with about 3,000 potential employees. This is an event that we will continue to create annually as a means to connect employers and potential employees.
- **Job Posting on Web Site:** We are presently in discussions with a national provider of job boards to associations. This site would enable businesses to post jobs as well as provide a place for job seekers to post resumes. Again, our purpose would be to provide direct support for our member businesses to find the employees they need.
- **Organize Co-op Recruiting to Regional Colleges:** Coeur d'Alene is a very attractive place to live and could be used as a lure to bring college grads to our community. We will develop a program through which employers can go together in a co-op that would send one or two representatives to campuses to recruit employees
- **Provide Trainings in Retention and Recruitment Skills:** We will organize workshops and trainings to provide businesses with the latest information and skills to help them both recruit and retain employees. The first of these will take place this fall.

Bring Respect to Technical Professional Careers

Concerns have been voiced that there is a tendency to dismiss career opportunities in technical professional fields in comparison with college attendance. We believe that is important for students and educators to understand the value of these jobs, their potential for career tracks, and the high level of earnings that are possible. To do this we will:

- **Organize Facilities Tours for Students:** These are intended to give students a first hand look at the jobs that are being done; the skills needed to perform them; and the opportunities for challenge and earnings that they provide.
- **Summer Internships with Manufactures for Teachers and Counselors:** These short term internships would be intended to give educators first hand experience in businesses that rely on employees with technical skills. These would be modeled on similar internships offered in years past by our chambers.
- **Speakers Bureau of Manufacturers to Schools:** These would be outreach efforts to get employers into classrooms with the goal of sharing with students the potential for careers using technical skills.

Secure Added Funding for Technical Professional Programs

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Despite statewide recognition of the importance of Technical Professional education, increases in state funding for PTE have not kept pace with employer demand for a trained workforce. We will build a statewide coalition to seek dramatically larger funding to support both secondary and post secondary technical education.

Create Immediate Training Programs

In addition to seeking additional, long-term funding, we need to immediately implement programs to provide training for workers. We propose working with members of the business community to identify the 3 or 4 most needed skills. With those identified, we will work with NIC and the school districts and members of the business community to create programs that can be put in place immediately to provide needed training.

Support A Partnership Between Education and Business

School Districts have developed a variety of programs to teach skill sets needed in today's workplace. Graduates of these programs receive certificates of their success. We will urge businesses to:

- **Give priority to skill set certificated applicants:** Employers should be requiring appropriate certificates from applicants and should be giving preference to those holding them. This will further reinforce the importance of learning these skills. We will work with employers to implement these requirements.
- **Provide advice and input to technical/professional program development:** Many businesses already do so. We will add our voices to the call for business participation in developing technical/professional programs. Only by doing so can we ensure that the classes offer provide the skills businesses need.
- **Assist Student Workers:** Recognize that any problems effecting students who are working impact both school and business as well as the student. We need to develop systems to enable schools and business to respond to those challenges.

Make Our Community Attractive to Young Workers and Their Families

One of our challenges in attracting workers here from elsewhere is to ensure that our community is affordable for and attractive to those workers. To do so we suggest the following:

- **Workforce Housing:** Support efforts underway to develop housing options that are affordable to members of our local workforce.
- **Trailing Spouses:** Provide assistance in finding meaningful work for the spouses of individuals relocating to work in Kootenai County.

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- **Create Attractive Lifestyles:** Many young workers are single. We need to develop a variety of entertainment options and opportunities that will make our community an attractive place for them to live.

Testimony for a Public Hearing Conducted by
Idaho Department of Commerce and Labor
August 2006
Submitted by Area Agency on Aging of North Idaho

The Workforce Investment Act drives policy and resources for serving people in Idaho who are seeking work and training opportunities. Along with these policies come specific outcome measures that must be addressed and additionally drive how resources are utilized at the local level. Unfortunately, the policies and outcome measures work to the disadvantage of older adults who are seeking assistance through the Workforce Investment Act.

Of particular concern are outcome measures that require wages to rise over time. This is a valuable outcome for adults who are developing a career ladder and are relying on a living wage to meet their expenses. However, the motivations for an older worker typically vary from those of an adult in the midst of raising a family.

Older workers are becoming a growing demographic in the workforce market. This is due to the aging of our society and the significant number of young retirees who are finding it undesirable if not impossible to rely on pension and social security payments. There are more and more "retirees" seeking part time employment to supplement their fixed income.

Return to the job market for these individuals often requires training but seldom requires an escalating hourly compensation. The needs of training and job placement for older adults can be met through Workforce Investment activities; outcome measures create a conflict of interest for administrators who strive to meet performance measures.

Currently the Workforce Investment Act designates funds to serve youth with specific outcome measures for that target population. It is strongly recommended that older workers receive a designated category of funding. At a minimum, there should be a requirement for the Department of Commerce and Labor to establish service goals for older adults.

A move of this nature would benefit Idaho, where people 60 years of age or older is growing faster than all but four states in the nation. Additionally, it would place Idaho in the forefront of meeting the needs of a rapidly growing population who choose to remain independent and rely on their own resources to meet their needs.

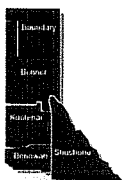
Region I – North Idaho

Survey Results – Top 5 Issues

<p>Improve the K-12 Pipeline</p> <ul style="list-style-type: none"> • Expand Career Classes (3) • Combine Financial Literacy/Career Awareness/Life Skills/Work Ethic (4) • Increase Guidance Counselors (1) • Better Prep in HS (2) • College Recruiters (1) • Parent Involvement and Awareness (1)
<p>Strengthen Postsecondary</p> <ul style="list-style-type: none"> • Revise funding formula to recognize PTE (1) • Continue PTE response to business (1)
<p>Keep Kids in the Community</p> <ul style="list-style-type: none"> • Ed reimbursement/incentives to remain (5) • Educate Youth on Community Opportunities (1) • Youth Forum (1)
<p>Strengthen and Grow Workforce (5)</p> <ul style="list-style-type: none"> • Support life-long learning (5) • Training for Dislocated Workers (1) • Engage non-traditional workforce (aging/disabled/female) (2) • Develop strategies for worker retention (1)
<p>Strengthen business</p> <ul style="list-style-type: none"> • Relentless pursuit of continuous improvement (1)
<p>Strengthen business-education-government partnerships (7)</p> <ul style="list-style-type: none"> • Incent business to train workforce (1) • Employer paid continuing education (1) • Internships (1)
<p>Strengthen Communities</p> <ul style="list-style-type: none"> • Affordable Housing (9) • Transportation (3) • Manage growth (1) • Infrastructure - broadband, water, sewer (1) • Tech transfer (1) • Increase wages/livable wages (4) • Diversify economic base/increase tech jobs (2) • Protect quality of life (1) • Drug use intervention (1)
<p>Miscellaneous</p> <ul style="list-style-type: none"> • Develop action plan • WIA performance standards that discourage older workers • Change website

Northern Idaho

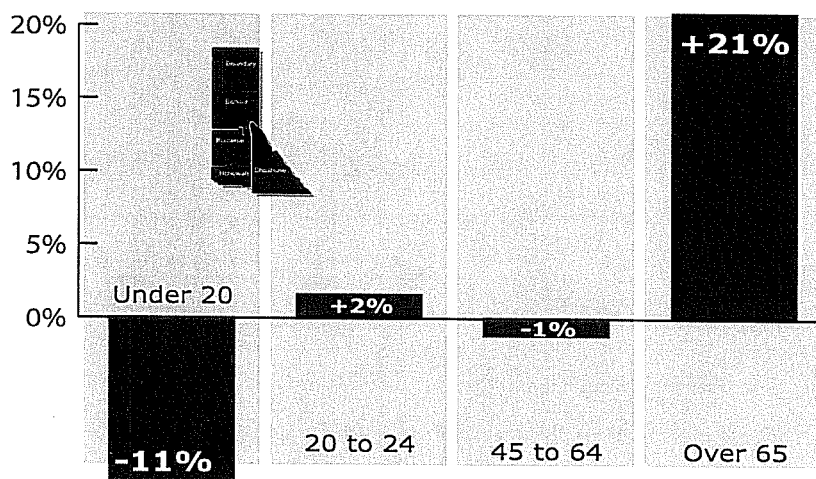
How much can the share of these age groups expect to change over the next decade?



Region 1

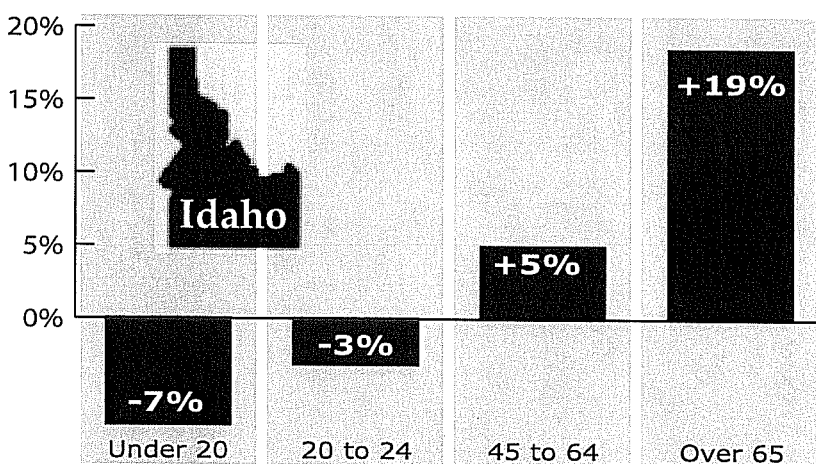
Population Shift in Northern Idaho

Percentage Change of Age Group's Share of the Population from 2005 to 2015



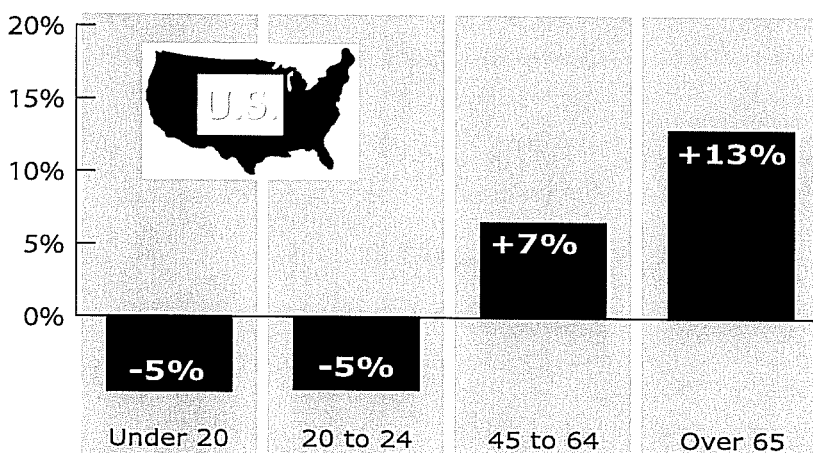
Population Shift in Idaho

Percentage Change of Age Group's Share of the Population from 2005 to 2015



Population Shift in the U.S

Percentage Change of Age Group's Share of the Population from 2005 to 2015



Northern Idaho (Panhandle) – Region 1

Panhandle experiences strong job growth and diversification.

Every major industrial sector, except information and natural resources & mining, grew between 2000 and 2005.

- Over the last 15 years, the Panhandle has greatly diversified its economic base. Where once lumber and mining dominated the Panhandle's economy, now many other types of businesses — including tourism, health care, and call centers — are playing larger roles.
- Although wood products jobs have declined from their peak around 1991, they still play a major role in the local economy.

Jobs by Industry – 1999 Compared to 2005

	# Jobs 2000	# Jobs 2005	Growth Rate 2000-2005
Total Nonfarm Payroll Jobs	65,374	77,879	19.13%
Goods-Producing Industries	13,520	16,651	23.16%
Natural Resources & Mining	2,067	1,664	-19.50%
Construction	4,662	7,120	52.74%
Manufacturing	6,791	7,867	15.85%
Wood Product Manufacturing	2,533	2,842	12.20%
Other Manufacturing	4,258	5,025	18.02%
Service-Providing Industries	51,854	61,229	18.08%
Trade, Transportation, & Utilities	13,670	15,038	10.01%
Wholesale Trade	1,452	1,642	13.09%
Retail Trade	10,508	11,381	8.31%
Utilities	344	440	27.66%
Transportation & Warehousing	1,365	1,575	15.41%
Information	1,442	1,282	-11.09%
Financial Activities	2,599	3,525	35.62%
Professional & Business Services	5,090	7,398	45.33%
Educational & Health Services	5,505	7,308	32.75%
Leisure & Hospitality	8,370	9,290	11.00%
Other Services	2,204	2,418	9.71%
Government Education	4,783	5,027	5.09%
Government Administration	8,192	9,943	21.38%

For consistency, tribes were treated as private-sector employers both in 2000 and 2005. Prior to 2001, the U.S. Bureau of Labor Statistics treated them as private-sector employers; since 2001, as government employers.

Northern Idaho (Panhandle) – Region 1

Panhandle enjoys relatively fast job growth

All the Panhandle counties, except Shoshone County, enjoyed faster growth than the U.S. over the last five years.

Nonfarm Payroll Job Growth Percentage Changes

	U.S.	Panhandle	Benewah	Bonner	Boundary	Kootenai	Shoshone
2000-2005	1.4%	19.3%	16.7%	18.1%	3.2%	23.6%	-3.7%
1995-2005	13.9%	39.0%	13.2%	37.5%	17.6%	47.7%	4.5%
Total Nonfarm Payroll Jobs, 2005		77,879	2,325	14,191	3,256	52,383	4,484

While the U.S. has lost manufacturing jobs, the Panhandle added them.

Manufacturing Job Growth Percentage Changes

	U.S.	Panhandle	Benewah	Bonner	Boundary	Kootenai	Shoshone
2000-2005	-17.3%	15.7%	11.1%	50.7%	-19.0%	8.5%	17.6%
1995-2005	0.1%	8.7%	-12.5%	16.8%	26.5%	7.9%	9.2%
Manufacturing Jobs, 2005		7,867	601	2,090	386	4,547	242

Northern Idaho (Panhandle) – Region 1

Real Average Annual Covered Wages *(in 2005 Dollars)*

	2000	2005	Growth
Total Nonfarm Payroll Jobs	27,107	27,663	2.05%
Goods-Producing	33,341	33,042	-0.90%
Natural Resources & Mining	40,780	40,158	-1.53%
Construction	30,745	29,911	-2.71%
Manufacturing	32,859	34,372	4.60%
Wood Product Manufacturing	36,277	38,233	5.39%
Other Manufacturing	30,826	32,188	4.42%
Service-Providing	25,470	26,201	2.87%
Trade, Transportation, & Utilities	26,329	28,224	7.20%
Wholesale Trade	37,343	38,485	3.06%
Retail Trade	23,572	26,080	10.64%
Utilities	53,588	51,827	-3.29%
Transportation & Warehousing	29,266	26,432	-9.68%
Information	32,796	30,180	-7.98%
Financial Activities	32,115	37,519	16.83%
Professional & Business Services	28,974	28,708	-0.92%
Educational & Health Services	25,946	26,233	1.11%
Leisure & Hospitality	12,423	12,373	-0.40%
Other Services	21,970	14,488	-34.06%
Government Education	27,789	26,495	-4.66%
Government Administration	32,216	32,463	0.77%

Northern Idaho (Panhandle) – Region 1

Wages in the Panhandle are relatively low.

Wages in Spokane County, Washington, generally are about 12 percent higher than wages in the same occupation in the Panhandle. Why are Spokane County wages so much higher? There is the higher rate of unionization in Washington than in Idaho, the influence of the Seattle-Tacoma area on Washington State wages and the highest minimum wage in the nation (\$7.63 in Washington State vs. \$5.15 in Idaho).

Below are shown the average (mean) wage and the median wage (half of all workers get paid more and half get paid less) in the U.S., North Idaho, and Spokane County, according to the Occupational Employment and Wage Survey, published in 2005.

Wages for All Occupations in Wage Survey

	Mean	Median
United States	\$13.98	\$18.00
North Idaho	\$11.81	\$14.73
Spokane County	\$13.73	\$16.70

Wages are rising in the Panhandle after a slump.

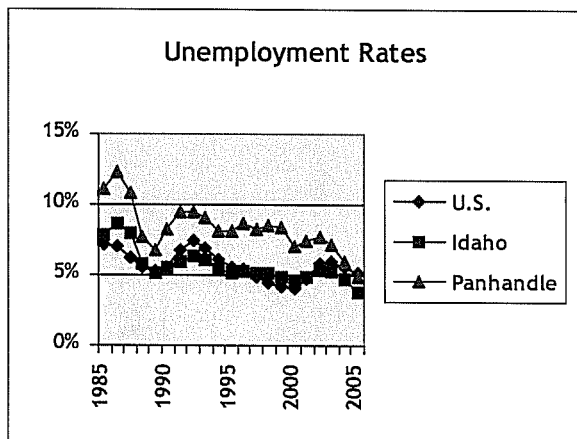
Wages for All Occupations in Wage Survey

	Mean	Median
2006	\$15.10	\$12.40
2005	\$14.73	\$11.81
2004	\$14.34	\$12.00
2003	\$14.86	\$12.08
2002	\$14.49	\$12.49
2001	\$13.37	\$11.38

Northern Idaho (Panhandle) – Region 1

Skills

For two decades, employers in the Panhandle have found it relatively easy to recruit workers with the skills they required. Rapid population growth continuously refreshed the pool of potential workers, keeping the competition for jobs high. The unemployment rate therefore remained high, and wages were bid down in the competition for jobs. The last three years has brought a dramatic change. Growth of the working-age population did not keep pace with the strong job growth. The Panhandle's unemployment rate, which averaged 7.7 percent in 2002, fell to 4.6 percent in 2005. From 2003 to 2005, the number of job openings listed with the five Idaho Commerce & Labor offices in the Panhandle rose 65 percent from 8,900 to 14,700. At the same time, the number of job applicants registered with the



Panhandle offices fell 12 percent. Employers began encountering problems filling new job openings. To make matters worse, they also began experiencing higher rates of turnover. With more job opportunities available, many workers began playing musical chairs with their jobs—changing jobs on a whim.

Please Apply if You Have a Strong Back: From 1994 to 2003, construction activity in the Panhandle remained on the same high plateau of about 4,500 jobs. The very rapid growth of construction led to strong competition for construction laborers. This is turn af-

fected all “strong back” jobs. Landscaping companies, warehouses, manufacturers with jobs that depend on physical strength and stamina, and temporary employment agencies have found it difficult to recruit enough workers. Wage pressures have been intense. Wages for many laborer positions increased from \$6.50 an hour to \$9 or \$10 an hour, and yet employers have not been able to find and keep workers.

Traditional Industries Need to Replace Aging Workers. Mining, logging, sawmills and railroads have aging workforces. With so much of their work force in their 50s and 60s, these traditional industries are becoming aware of the need to hire and train replacements for their current workers as they retire.

Wanted: Skilled Workers. Highly skilled construction workers — especially electricians, plumbers, cement masons, and journey-level finish carpenters — have been in extremely high demand.

The high level of construction activity and the recovery in manufacturing has also led to a shortage of welders. There also are not enough skilled machinists available.

Healthy Demand for Health Care Workers. Health care has grown nearly twice as fast as all other industries. It grew 32 percent between 2000 and 2005, and it is likely to grow just as rapidly between 2005 and 2010. As a consequence, there are shortages of registered nurses, certified nurse aides, medical technologists, medical doctors, pharmacists, and other health care professionals.

Northern Idaho (Panhandle) – Region 1

Changes in Labor Force for Northern Idaho Counties

Seasonally Adjusted Data	July 2006					July 2005					Year Over Year Change in	
	CIVILIAN		%		TOTAL	CIVILIAN		%		TOTAL	Emp	Unemp
	LABOR	FORCE	UNEMP	UNEMP		LABOR	FORCE	UNEMP	UNEMP			
STATE OF IDAHO	756,956	27,552	3.6	729,404	3.6	740,660	27,980	3.8	712,680	16,724	(428)	
Benewah	4,189	391	9.3	3,798	9.3	4,184	377	9.0	3,808	(10)	15	
Bonner	21,514	970	4.5	20,544	4.5	20,923	1,033	4.9	19,889	655	(63)	
Boundary	4,120	318	7.7	3,802	7.7	4,389	429	9.8	3,960	(158)	(111)	
Kootenai	69,641	2,697	3.9	66,944	3.9	68,087	2,783	4.1	65,305	1,639	(86)	
Shoshone	5,914	477	8.1	5,437	8.1	5,853	499	8.5	5,354	83	(22)	
Annual Average 2005												
	CIVILIAN		%		TOTAL	CIVILIAN		%		TOTAL	Year Over Year Change in	
	LABOR	FORCE	UNEMP	UNEMP		LABOR	FORCE	UNEMP	UNEMP		Emp	Unemp
	LABOR	FORCE	UNEMP	UNEMP		LABOR	FORCE	UNEMP	UNEMP			
STATE OF IDAHO	738,739	28,183	3.8	710,556	3.8	703,067	33,339	4.7	669,728	40,828	(5,156)	
Benewah	4,121	306	7.4	3,815	7.4	4,035	355	8.8	3,680	135	(50)	
Bonner	20,772	999	4.8	19,774	4.8	19,510	1,142	5.9	18,368	1,406	(144)	
Boundary	4,306	329	7.6	3,977	7.6	4,324	298	6.9	4,026	(49)	31	
Kootenai	67,631	2,819	4.2	64,812	4.2	63,799	3,510	5.5	60,289	4,523	(691)	
Shoshone	5,827	434	7.5	5,392	7.5	5,598	533	9.5	5,066	327	(99)	

SOURCE: Idaho Commerce & Labor, Research & Analysis and Public Affairs

e3 – A Continuing Dialogue NIC, Coeur d’Alene Aug. 9, 2006

Angela	Alexander	Post Falls Chamber of Commerce
Marilyn	Anders	Area Agency on Aging
Virginia	Beebe	St. Maries Jt. School District #41
Don	Bennett	MOR Manufacturing
Janet	Bourque	Bright Star Grant Consultants
Becky	Clemens	Buck Knives, Inc.
Susan	Costa	Silver Mountain Corp
Russ	Doumas	TESH, Inc.
Robin	Dyck	Idaho Commerce and Labor
Becky	Finney	Mountain West Bank/Post Falls Branch
Cyndie	Hammond, PhD	Lewis-Clark State College-CdA
Jennifer	Hawkins	Sylvan Learning Center
Vicki	Isakson	ID Commerce & Labor
Mary	Jacobsen	Area Agency on Aging
Jerry	Keane	Post Falls School District
Betty	Kerr	Kerr Oil Co., Inc.
Robert	Ketchum	North Idaho College Workforce Training Center
Charles	Kinsey	Lakeland Jt. School District 272
Brad	Murray	N ID PTE Cooperative Riverbend PT Academy
Ron	Nilson	Ground Force Manufacturing
Fred	Ostermeyer	Managed Resources
David	Pafford	ID Industrial Commission
Marie	Price	North Idaho College
Kent	Propst	North Idaho College
Vince	Rinaldi	Silver Valley Economic Development Corp.
David	Risdon	Century Publishing Company
Kathryn	Tacke	Idaho Commerce & Labor
Sherry	Wallis	North Idaho College Workforce Training Center
Aida	Zeff	Idaho Child Welfare Research & Training Center
Eric	Zeff	Mountain West Bank/Post Falls Branch
CJ	Buck	Buck Knives Inc
Jonathan	Coe	CDA Chamber
Rex	Fairfield	Region 1 NIC Adult Basic Ed/ GED
Tim	Komberec	Empire Airlines Inc
David	Larsen	Post Falls Chamber
Angie	Lee	TESH Inc
Robyn	Stevens	ICL
Cathy	Thorlacher	Benewah Medical Center

Region II e³ a continuing dialogue – meeting summary

Key Labor Market Findings:

- The area has a large pool of workers with approximately 7,000 highly educated workers underemployed. As with other areas, workers in traditional industries are nearing retirement with a need for replacement workers looming. Skilled workers in construction are in extremely high demand. Retirees are moving into the area which is contributing to a greater increase in the 65 plus category than Idaho or the country as a whole. The age groups under 24 are also showing greater percentage drops than experienced in Idaho or the nation.
- Job growth has been significantly lower than the nation or state except in Lewis County. This was coupled with a shift in jobs from goods-producing to service-providing industries. Gains were experienced in construction, metal fabrication, retail, financial, professional and business services, health care services, leisure and hospitality and tribal sectors. Health care grew faster than any other industry, causing shortages of health care workers along the range of jobs. Much of the growth stemmed from demands from the influx of retirees into the region. Significant declines have been experienced in manufacturing, government and other services. A rebound in manufacturing has caused a shortage of welders and machinists.
- With the shift to service jobs, wages have dropped when adjusted to 2005 dollars indicating that wages have not kept up with inflation.

Challenges:

- The impact of the growing number of retirees is unknown; demands a plan to respond.
- Manufacturing jobs are going unfilled because of wages and outdated perception of jobs.
- The region is having difficulty attracting jobs that match skills of the workforce with a high level of post secondary attainment (academic).
- Availability and cost of professional technical education is high; access to community colleges in Idaho is far below that in surrounding states on a per capita basis.
- Infrastructure for communication and air travel is compromising growth.
- Inadequate funds exist for developing recreation/entertainment venues for aging population.
- Consolidation of banks has left smaller businesses without access to funding.

Strengths:

- The region is home to two universities, a college and 15 high schools producing highly qualified workers. While there is difficulty matching the workforce to the

emerging jobs, the high level of education suggests great potential for training/retraining.

- The manufacturer's association is well established and serves as a point of communication for the area's manufacturing industry.
- The area is poised for growth and preparing to address the issues before growth creates problems. Good leadership exists with partners eager to work together.

Recommendations/solutions:

The group made the following recommendations for community, regional and state action:

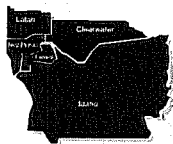
- Improve the K-16 pipeline:
 - Teach students how to “think”/learn for a life-time.
 - Develop/provide classes to help with work ethic.
 - Expand business education partnerships.
 - Expand access to post secondary education through community colleges, distance learning, needs-based scholarships.
 - Improve science/math using practical applications
 - Business serve as “labs” for student practical experience/internships
- Strengthen Professional-Technical Education
 - Provide more technical training in the high schools
 - Introduce principals/superintendents to manufacturing opportunities (NIMA) and bring them to other businesses.
 - Expand interest in postsecondary technical education opportunities.
 - Expand PTE funding/opportunities in rural areas—distance learning
 - Improve the image of the trades via marketing/awareness
 - Use unemployed/underemployed to co-teach in schools.
 - Encourage use of tech-prep, career academies (like consortium in southwest) and support portability of credits
- Strengthen Infrastructure
 - Develop a plan to respond to growth
 - Examine the impact of the aging population on economic/social infrastructure support
 - Use a more creative approach and invest additional funds in broadband and other communication strategies such as satellite
 - Coordinate public private investment in various communication technologies.
 - Examine feasibility of smaller financial institutions; e.g. credit unions, others to assist small businesses.
 - Allow for local option taxing to fund recreation/entertainment
- Additional communication/training by state:
 - Examine impact of UI on traditional industries; e.g. logging
 - Consider inclusion of youth on Councils, including WDC

Region II – North Central Idaho Survey Results – Top 5 Issues

<p>Improve the K-12 Pipeline</p> <ul style="list-style-type: none"> • Develop multi-district professional-technical academy • Expand distance education to extreme rural areas • Expand career development/awareness via collaboration of government, education, business
<p>Keep Kids in the Community</p> <ul style="list-style-type: none"> • Stop out migration of young people
<p>Strengthen and Grow Workforce</p> <ul style="list-style-type: none"> • Establish needs based scholarships • Lower PTE tuition-college model • Train existing workforce/develop incumbent worker training
<p>Strengthen business</p> <ul style="list-style-type: none"> • Establish training program for relocating businesses
<p>Strengthen business-education-government partnerships (2)</p> <ul style="list-style-type: none"> • Incent business to train workforce (1) • Internships (1)
<p>Strengthen Communities</p> <ul style="list-style-type: none"> • Transportation, air travel (2) • Analyze opportunities with retirement community • Broadband/telecom (2) • Infrastructure- broadband, water, sewer (1) • Tax structure to allow local option for recreation/entertainment

North Central Idaho

How much can the share of these age groups expect to change over the next decade?

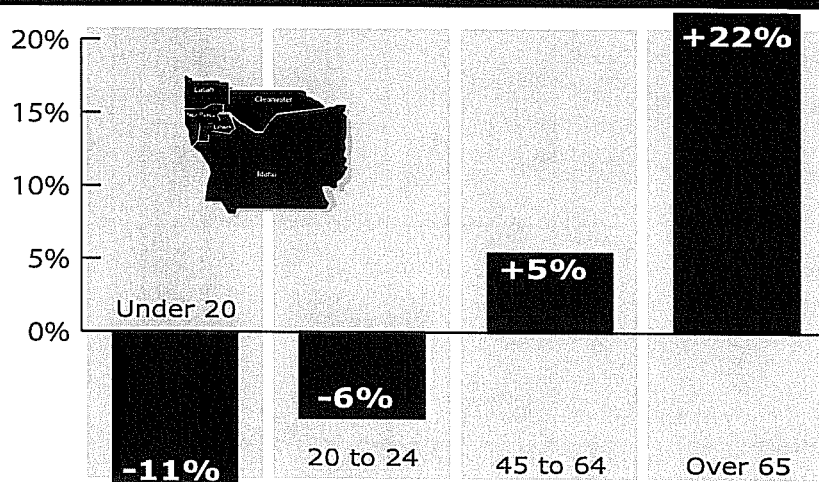


Region

2

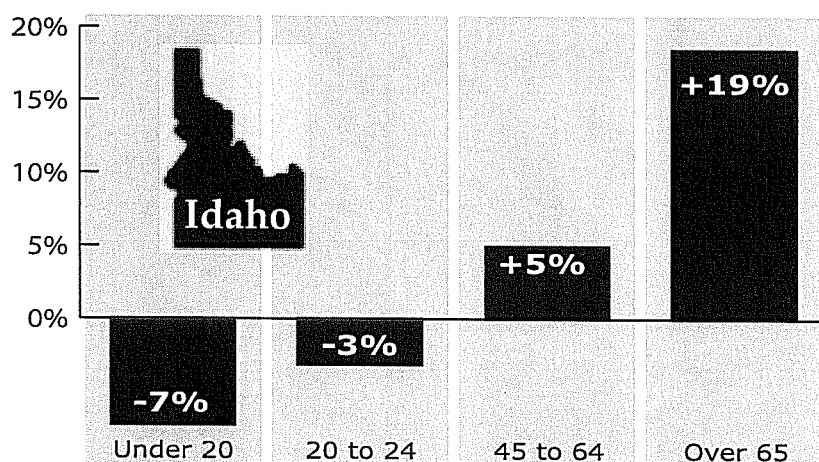
Population Shift in NorthCentral Idaho

Percentage Change of Age Group's Share of the Population from 2005 to 2015



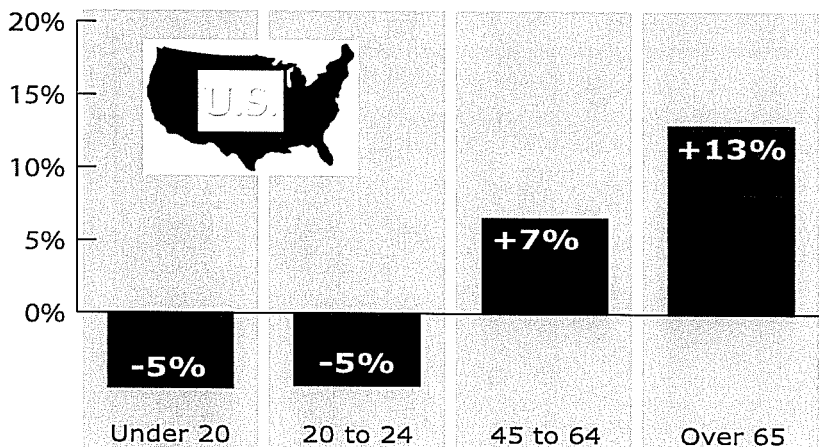
Population Shift in Idaho

Percentage Change of Age Group's Share of the Population from 2005 to 2015



Population Shift in the U.S

Percentage Change of Age Group's Share of the Population from 2005 to 2015

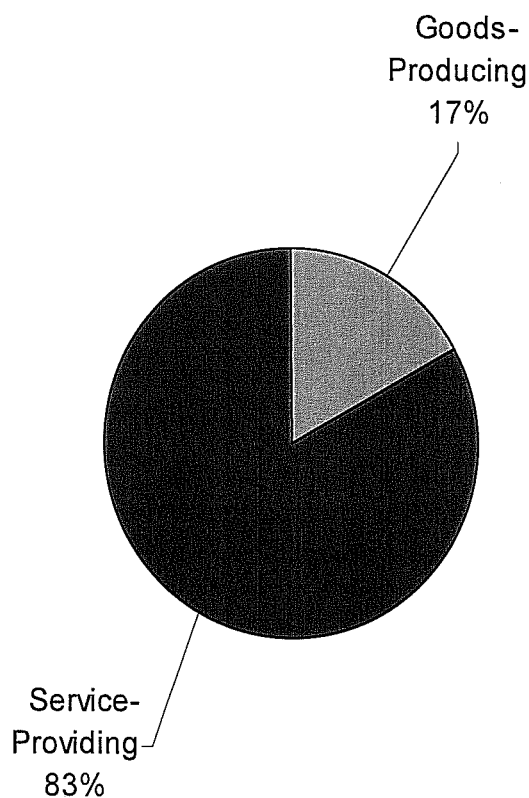


North Central Idaho – Region 2

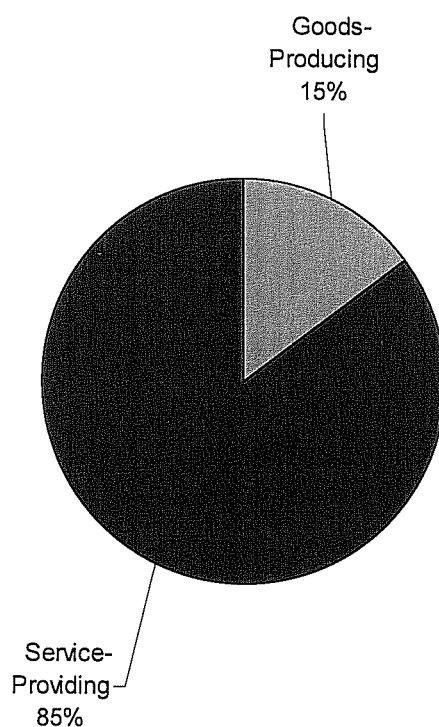
Jobs by Industry – 1999 Compared to 2005

- A 2 percent shift in jobs occurred from goods-producing industries to service-providing industries.
- Goods-producing industries lost 685 jobs while service-producing industries gained 2,687 jobs.
- Job gains occurred in construction, metal fabrication, trade, financial, educational services, health care services and tribes.
- Job losses occurred in natural resources, manufacturing, utilities and government.

1999 Nonfarm Payroll Jobs



2005 Nonfarm Payroll Jobs



* Goods-producing industries: natural resources, construction and manufacturing.

* Service-providing industries: trade, utilities, information, financial, professional and business services, educational and health services, other services and public administration.

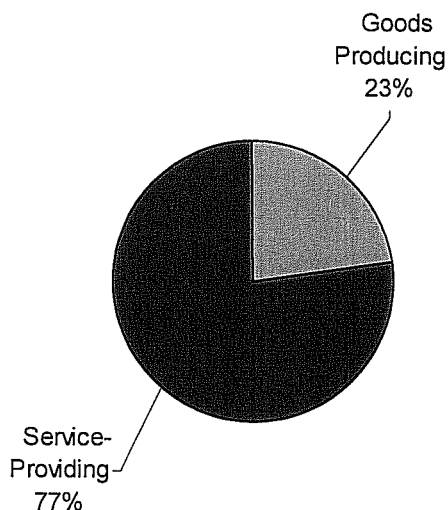
North Central Idaho – Region 2

Wages by Industry – 1999 Compared to 2005

- Lost goods-producing jobs, shifting wages to the lower end.
- Goods-producing jobs traditionally increase at a faster yearly rate than service-providing industries.
- Some exceptions to these trends occur in health care, information, finance, insurance and transportation.

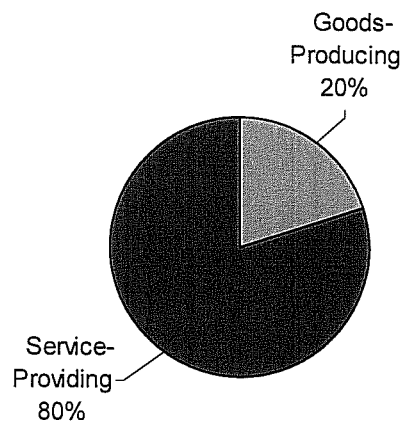
WAGES 1999

Average per Job
\$24,830



WAGES 2005

Average per Job
\$27,006



** Overall wages have not kept up with inflation*

North Central Idaho – Region 2

Skills Impact

- Unemployment for males is almost double the rate for females. The majority of the labor pool is male.
- 7,000 workers are underemployed with a high level of education.
- Region 2 has a large labor pool. Difficulty exists in matching emerging jobs with workers' skills.
- Even with a large labor pool, skill shortages are predicted for the future in manufacturing, construction and health care services.
- Workers are getting older — Baby Boomers vs. Generation X.
- Employers rate nine higher educational skills important to their business and growth in the future. The labor force in north central Idaho has these skills.
- Located within 30 miles are 15 high schools, two universities and two colleges.
- Universities and school districts report that graduates would like to remain in the area but can't find jobs.

North Central Idaho – Region 2

Changes in Labor Force for North Central Idaho Counties

Seasonally Adjusted Data	March 2006				March 2005				Year Over Year Change in Emp Unemp	
	CIVILIAN		%		CIVILIAN		%			
	LABOR FORCE	UNEMP	UNEMP	TOTAL EMPLOY	LABOR FORCE	UNEMP	UNEMP	TOTAL EMPLOY	Emp	Unemp
STATE OF IDAHO	738,739	28,183	3.8	710,556	710,738	33,089	4.7	677,650	32,907	(33,089)
Clearwater	3,332	244	7.3	3,087	3,371	280	8.3	3,092	(4)	(36)
Idaho	7,167	383	5.3	6,784	7,136	441	6.2	6,696	88	(58)
Latah	17,373	407	2.3	16,966	18,201	478	2.6	17,722	(757)	(71)
Lewis	1,772	44	2.5	1,728	1,755	50	2.8	1,705	23	(6)
Nez Perce	18,570	624	3.4	17,946	19,159	786	4.1	18,374	(428)	(162)
Annual Average 2005										
	Annual Average 2005				Annual Average 2004				Year Over Year Change in Emp Unemp	
	CIVILIAN		%		CIVILIAN		%			
	LABOR FORCE	UNEMP	UNEMP	TOTAL EMPLOY	LABOR FORCE	UNEMP	UNEMP	TOTAL EMPLOY	Emp	Unemp
STATE OF IDAHO	731,352	28,404	3.9	702,949	703,067	33,339	4.7	669,728	33,221	(4,935)
Clearwater	3,389	308	9.1	3,081	3,370	337	10.0	3,033	48	(337)
Idaho	7,204	459	6.4	6,745	7,217	538	7.5	6,679	66	(538)
Latah	18,303	619	3.4	17,684	18,162	667	3.7	17,495	189	(667)
Lewis	1,773	59	3.3	1,714	1,761	63	3.6	1,698	17	(63)
Nez Perce	19,102	817	4.3	18,285	18,786	878	4.7	17,907	378	(878)

SOURCE: Idaho Commerce & Labor, Research & Analysis and Public Affairs

e3 – A Continuing Dialogue LCSC, Lewiston Aug. 10, 2006

<u>Alice</u>	<u>Bevans</u>	Idaho Commission on Aging
<u>Donna</u>	<u>Callahan</u>	Lewis-Clark State College Adult Basic Education
<u>John</u>	<u>Currin</u>	Potlatch Corp
<u>Christine</u>	<u>Frei</u>	CEDA
<u>Rob</u>	<u>Lohrmeyer</u>	Lewis-Clark State College
<u>John</u>	<u>Rusche</u>	Idaho House of Representatives
<u>Kellye</u>	<u>Sharp</u>	ICL Lewiston
<u>Don</u>	<u>Smith</u>	Potlatch Corp
<u>Tate</u>	<u>Smith</u>	Region II Tech Prep
<u>Doug</u>	<u>Tweedy</u>	Idaho Commerce & Labor
<u>Cindy</u>	<u>Bechinski</u>	Moscow School District
<u>B. J.</u>	<u>Swanson</u>	AmericanWest Bank (also Economic Advisory Council)
<u>Rich</u>	<u>Pomponio</u>	Ridoti Manufacturing Inc
<u>Gil</u>	<u>Bates</u>	Ida-Lew
<u>Nate</u>	<u>Kuester</u>	KLEW TV 3
<u>Kris</u>	<u>Yacks</u>	Idaho Commerce and Labor
<u>Dave</u>	<u>Bonfield</u>	North Idaho Mfg
<u>Edwin</u>	<u>Odom</u>	University of Idaho
<u>Kjell</u>	<u>Christophersen</u>	CC Benefits Inc.
<u>Hank</u>	<u>Robison</u>	EMSI

Region III e³ a continuing dialogue – meeting summary

Key Labor Market Findings:

- Ada and Canyon County share ½ million people or 1/3 of the state's population. There are many highly skilled workers in the area with some underemployed; it is a white collar workforce with demand in a blue collar job market. Like the state as a whole, the region's population is increasing dramatically in the 65 plus age group while the growth in younger individuals is lagging.
- Job growth matched population growth in the region in the past decade creating a demand for workers in almost all job categories. Growth was experienced in construction, retail sales and business services, with a drop in manufacturing. Even so, welding remains one of the jobs in significant under-supply in the manufacturing area. Health care workers, especially nurses, and workers related to construction are in high demand.
- With a low unemployment rate, skilled workers are already working and wages continue to be too low to entice workers to change careers or move to the area. While wages have increased, the cost of living has outstripped the gains as the average cost of housing has moved above \$200,000.

Challenges:

- The area is home to the state's largest population base, but lacks a community college system providing low cost access to preparatory and professional-technical courses. Areas remote from city centers are feeling the lack of access to community college services. This also limits rapid response to emerging business needs for customized training and development of a labor pool.
- The State Board of Education has adopted a new approach to increasing science and math requirements that include use of academic and applied learning. Myths about the needs and impact of raising requirements still exist and rural areas are still resistant to increased requirements.
- Costs of on-line learning remain high at \$200 per credit post secondary and \$50 per credit in the digital academy inhibiting access. Lack of widespread access to low cost broadband infrastructure continues to be a problem.
- There are limited resources for incumbent worker training.
- Members aren't familiar with all potential partners/resources who could further the economic and workforce development agenda.
- Seniors and other untapped labor pools are not being utilized to their capacity to fill openings in the workplace.
- Workers are not being prepared for work in high growth industries at levels required, particularly in health care, manufacturing (welding), and construction.

Strengths:

- The area has a model professional-technical academy—the Dehryl A. Dennis Professional-Technical Education Center – supported by a consortia of multiple school districts, including private schools, the private sector and the workforce system. The coordination with the private sector has produced a state of the art facility and programs designed for today’s needs. Other smaller technical consortia are also available. Boise State University is also collaborating with the secondary system to expand capacity and provide a seamless learning opportunity for students.
- Active chamber groups are engaging in economic development and education issues. The Chamber raised \$5 million to mount a marketing and recruitment program for high wage jobs.
- The area is strong and dynamic with substantial innovation and resources. Community groups are engaged in multiple efforts to grow the economy.
- A number of companies in the area model good business practices for recruiting and retaining a quality workforce.

Recommendations/solutions:

The group made the following recommendations for community, regional and state action:

- Increase awareness of the education/career connection for parents and students
 - Inform parents and students of what is available in the labor market and the skills needed relying on the career cluster concept:
 - Get the facts out on high school reform (do not cause drop-outs, support applied academics/important to current and future jobs, etc.)
- Develop access to training and services at lower costs
 - Promote a community college system with multiple access points, schedules and delivery modes
 - Explore scholarships for low income students
 - Develop content and technology to expand on-line learning opportunities via digital academy and other distance learning
 - Use blackboard concept bringing students to facility only when necessary for learning
 - Reduce costs of distance learning – consider the public good.
- Expand the quality and size of the labor pool
 - Support employer incentives for incumbent worker training
 - Encourage individual responsibility for re-skilling (personal accounts/401K concept)
 - Identify key industry clusters and develop/provide training to meet skills gaps (manufacturing was identified);
 - Identify groups of individuals who have not traditionally participated and bring them into the workforce via marketing, recruitment and training,

including adult education (disabled, older workers, underemployed, TANF, etc.)

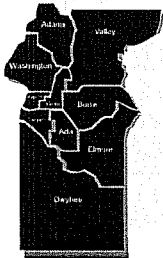
- Include literacy, science and math tutorials
- Remove artificial barriers – focus on skill sets rather than work history
- Business Education Partnerships
 - Promote business, education, workforce partnerships
 - Identify key stakeholders and drivers and nurture existing partnerships
 - Promote mentoring and paid internships to make education meaningful
- Strengthen Professional-Technical Education
 - Funding formula should include factor for professional-technical education
 - Empower the Workforce Training Network to work with business
 - Promote tech prep, mentorships, internships and OJTs; limit regulation
- Additional communication/training by state:
 - Emphasize workforce training as much as business recruitment
 - Add distance learning equipment to fire station/community center grants
 - Expand broadband access

Region III - Southwest Idaho Survey Results – Top 5 Issues

Improve the K-12 Pipeline & Strengthen Post-Secondary <ul style="list-style-type: none">• Increase math science requirements• Provide training in the trades• Disseminate information• Community delivery of training/distributed sites (2)• Develop portable curricula and delivery• Disseminate information
Strengthen and Grow Workforce <ul style="list-style-type: none">• Support Community College/affordable education (4)• Deliver incumbent worker training• Expand awareness/market older worker (2)• Offer more skill training, adult education & continuing ed services (3)• Increase pay and benefits
Strengthen business-education-government partnerships (1) <ul style="list-style-type: none">• Develop partnership incentives• Develop rural partnerships for economic development/education
Strengthen Communities <ul style="list-style-type: none">• Affordable Housing

Southwestern Idaho

How much can the share of these age groups expect to change over the next decade?

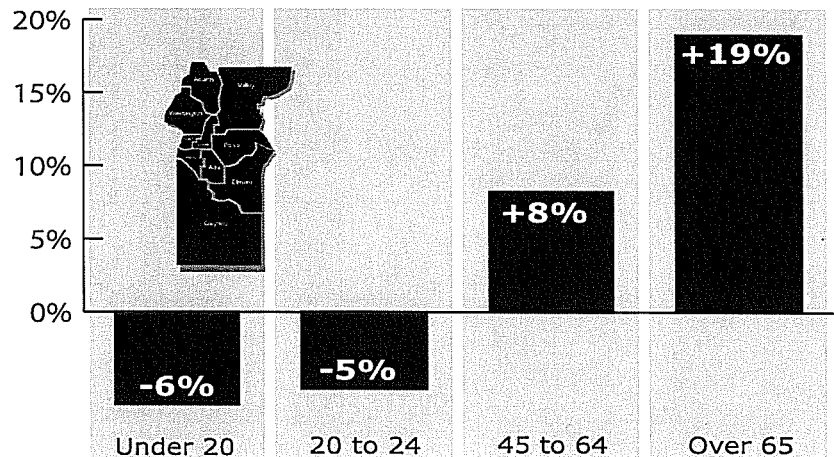


Region

3

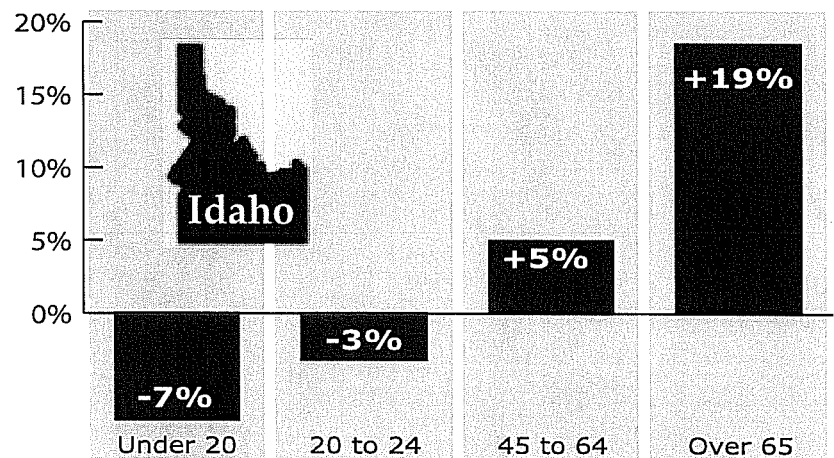
Population Shift in Southwestern Idaho

Percentage Change of Age Group's Share of the Population from 2005 to 2015



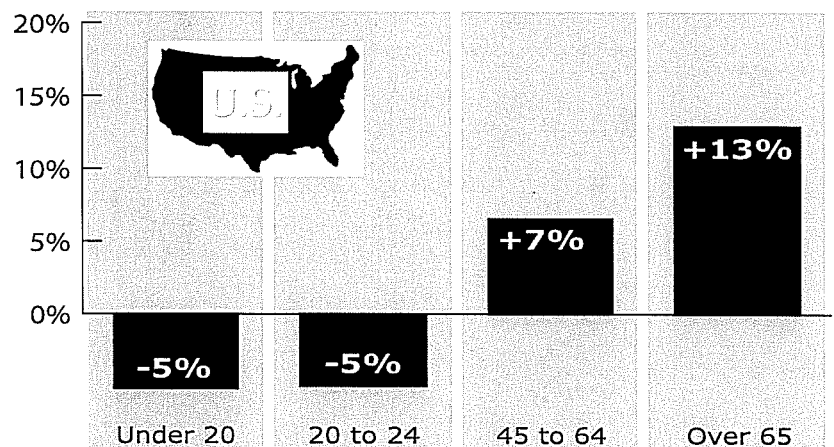
Population Shift in Idaho

Percentage Change of Age Group's Share of the Population from 2005 to 2015

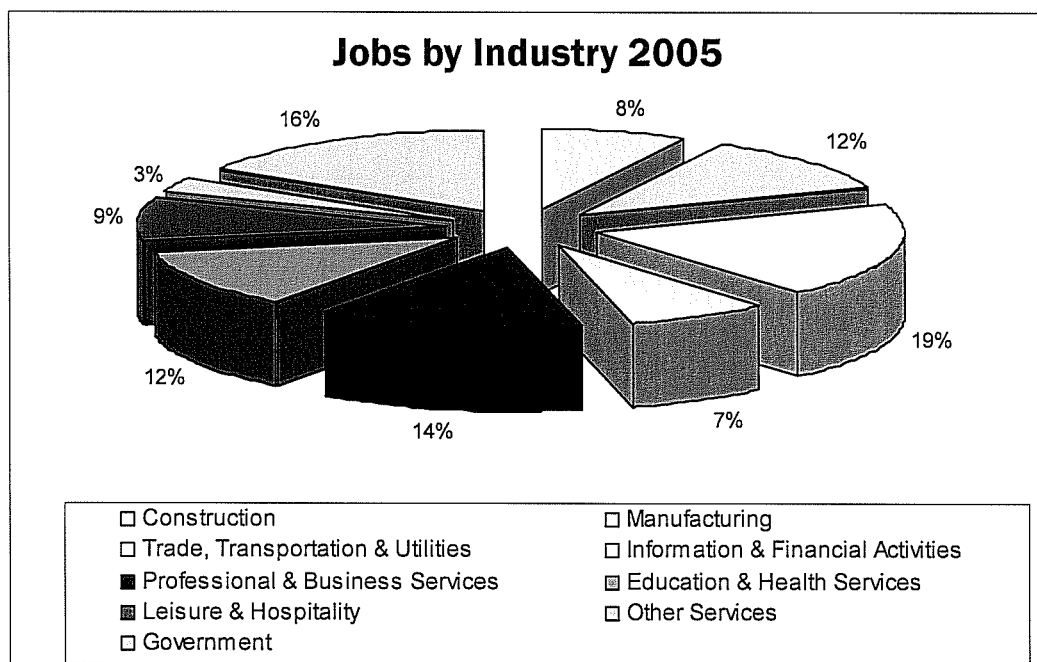
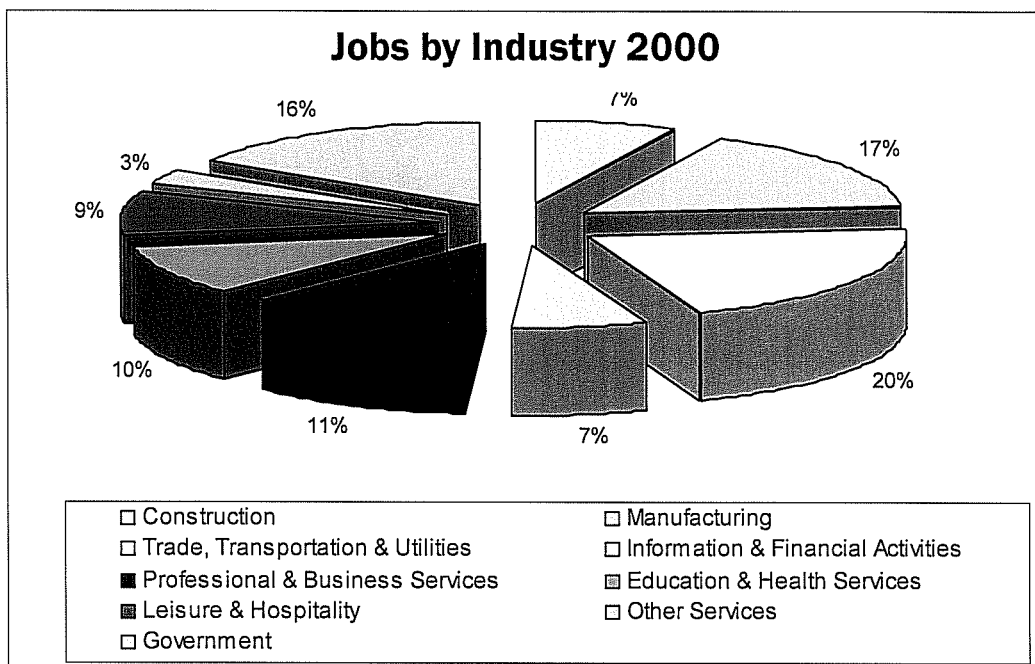


Population Shift in the U.S

Percentage Change of Age Group's Share of the Population from 2005 to 2015

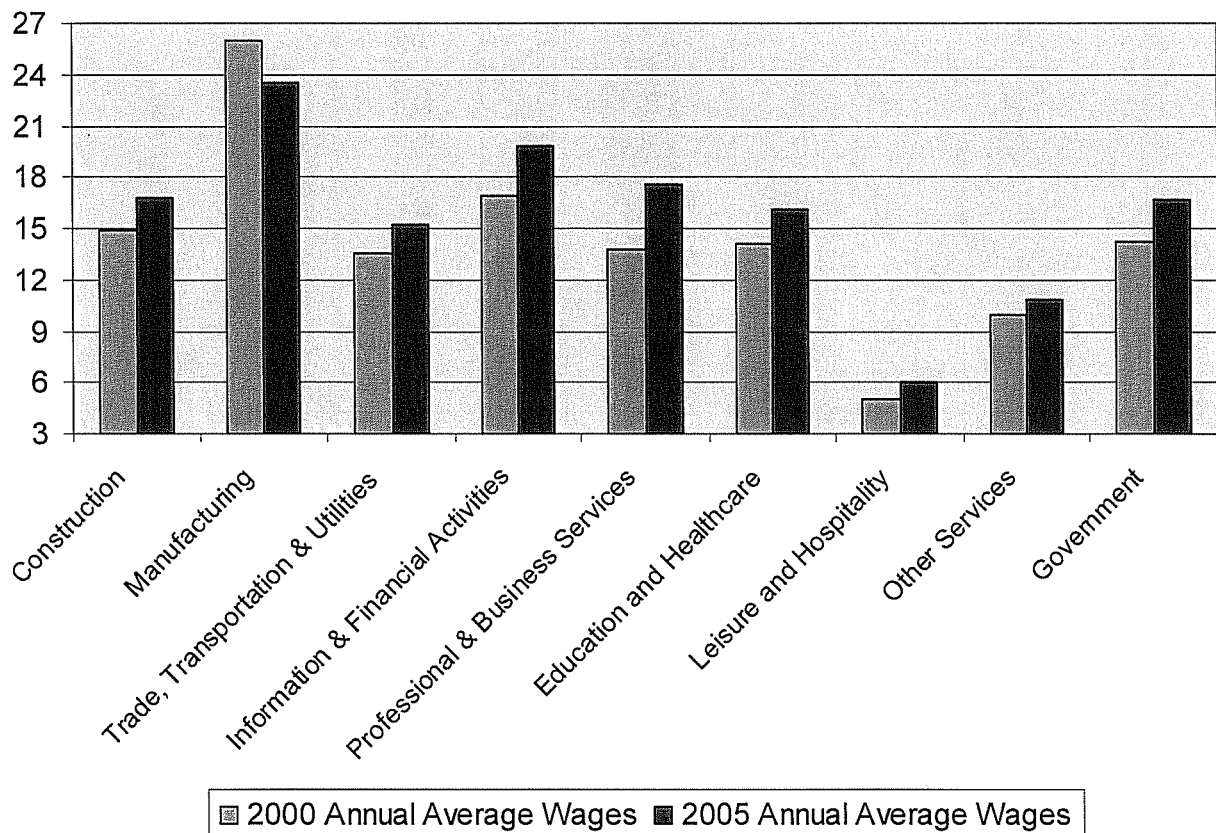


Jobs by Industry – 2000 Compared to 2005



Southwestern Idaho – Region 3

Hourly Wages by Industry – 2000 Compared to 2005



Skills in Demand

Southwest Idaho employers are looking for workers with nearly every job skill possible. Job applicants of course need to have math and writing skills of varying levels, and applicants have to be able to communicate effectively. In addition to these basic skill sets, the following is a long list of skills or rather occupations of which skill sets can be derived, that are in high demand throughout southwestern Idaho. As you can see the list varies from highly skilled labor to low skilled. Oftentimes applicants don't even need any experience and are just hired on the spot if they are deemed to be reliable by the employer.

Healthcare Industry:

- Registered nurses as well as CNA's and LPN's
- Pharmacists
- Occupational therapists
- Home health aides
- Medical records clerks

Construction Industry:

- Carpentry and framing
- Electricians and HVAC installers
- Plumbers and pipe fitters
- Heavy equipment operators
- General construction laborers

Manufacturing:

- Welders (all kinds)
- Production operators
- Machinists

Professional Occupations

- Engineers (all kinds, many openings)
- Accountants

Administrative and Sales

- Customer service representatives
- Bookkeepers
- Cashiers
- Large variety of sales jobs

Miscellaneous

- Truck drivers (both long haul and local)
- Cooks and all other restaurant workers
- Daycare workers
- Forklift drivers

Southwestern Idaho – Region 3

Changes in Labor Force for Southwestern Central Idaho Counties

Seasonally Adjusted Data	July 2006				July 2005				Year Over Year	
	CIVILIAN LABOR FORCE	UNEMP	% UNEMP		CIVILIAN LABOR FORCE	UNEMP	% UNEMP		Change in Emp	Unemp
			TOTAL EMPLOY	TOTAL EMPLOY			UNEMP	EMPLOY		
STATE OF IDAHO	756,455	27,503	3.6	728,952	740,660	27,980	3.8	712,680	16,272	(477)
Ada	195,586	5,391	2.8	190,195	189,837	5,720	3.0	184,117	6,078	(329)
Adams	2,001	151	7.6	1,850	1,898	163	8.6	1,735	114	(12)
Boise	3,923	123	3.1	3,799	3,832	154	4.0	3,678	122	(31)
Canyon	81,757	2,953	3.6	78,804	79,452	3,167	4.0	76,285	2,518	(214)
Elmore	11,436	555	4.9	10,881	10,683	528	4.9	10,155	726	27
Gem	7,525	286	3.8	7,239	7,314	307	4.2	7,007	232	(21)
Owyhee	4,692	121	2.6	4,571	4,538	113	2.5	4,424	147	8
Payette	10,212	525	5.1	9,687	10,197	583	5.7	9,614	72	(57)
Valley	5,673	206	3.6	5,467	5,156	216	4.2	4,939	528	(10)
Washington	5,093	213	4.2	4,880	4,874	246	5.1	4,628	252	(33)
Annual Average 2005										
	Annual Average 2005				Annual Average 2004				Year Over Year	
	CIVILIAN LABOR FORCE	UNEMP	% UNEMP		CIVILIAN LABOR FORCE	UNEMP	% UNEMP		Change in Emp	Unemp
			TOTAL EMPLOY	TOTAL EMPLOY			UNEMP	EMPLOY		
STATE OF IDAHO	738,739	28,183	3.8	710,556	703,067	33,339	4.7	669,728	40,828	(5,156)
Ada	189,003	5,895	3.1	183,108	178,469	6,944	3.9	171,525	11,583	(1,050)
Adams	1,897	146	7.7	1,751	1,829	212	11.6	1,618	133	(65)
Boise	3,763	158	4.2	3,605	3,566	171	4.8	3,395	210	(14)
Canyon	79,076	3,226	4.1	75,850	73,656	3,997	5.4	69,659	6,190	(770)
Elmore	10,862	523	4.8	10,339	10,591	586	5.5	10,006	334	(63)
Gem	7,429	338	4.5	7,092	7,109	386	5.4	6,723	369	(48)
Owyhee	4,914	117	2.4	4,797	4,802	128	2.7	4,674	124	(11)
Payette	10,384	686	6.6	9,698	10,342	821	7.9	9,521	178	(135)
Valley	4,709	213	4.5	4,496	4,190	278	6.6	3,912	584	(65)
Washington	5,007	258	5.2	4,749	4,878	325	6.7	4,553	197	(67)

SOURCE: Idaho Commerce & Labor, Research & Analysis and Public Affairs

e3 – A Continuing Dialogue BSU, Boise Aug. 22, 2006

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<u>Melinda</u>	<u>Adams</u>	Idaho Commission on Aging
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<u>Jessica</u>	<u>Gasiorowski</u>	City of Placerville
<u>Lisa</u>	<u>Roberts</u>	Arbor Education and Training
<u>Ann</u>	<u>Stephens</u>	State Division of Professional Technical Education
<u>Tom</u>	<u>Kerr</u>	Sage Community Resources / Valley County Commissioner
<u>Cheryl</u>	<u>Korn</u>	Boise State University Tech Prep Program
<u>Lloyd</u>	<u>Mahaffey</u>	Dynamis Group LP

Region IV e³ a continuing dialogue – meeting summary

Key Labor Market Findings:

- The population of the region is aging, but not as fast as the state as a whole. The region is lagging in the number of students transitioning to postsecondary education.
- The area is one of the fastest growing in the state with record unemployment. This is causing pressure on workforce availability across the board with significant shortages in construction, welding, health care, including nursing, technology and retail.
- Wages continue to lag behind 2000 real wages but upward wage pressures are reflected in some sectors as business competes for a limited pool of workers. Wages are not keeping pace with rising costs; those who commute are being impacted with high gas prices and many face rising housing costs.

Challenges:

- The good economy is causing a worker shortage, stifling productivity and further growth in the economy. The lack of an available workforce with aptitude, necessary skill sets and commitment to work is the biggest problem facing local employers.
- Drug use is exacerbating the worker shortage as it limits employment, retention and movement to post secondary. Drug use is also burdening the social, legal and educational network. Drug use is cited as a cause in increased levels of foster care.
- There is a lack of understanding among teachers, parents and students about the relationship between education and work and the opportunities available in the community. Too few students are moving into postsecondary education and far too many of those who do require remedial education before they can take advantage of the training. Career awareness programs are at capacity.
- There is not enough attention to career education at the secondary or post-secondary level. Good jobs remain open in manufacturing, health care, construction and other technical areas due to the lack of a skilled workforce.
- Rapid growth is causing pressure on wages but cost of living, particularly affordable housing and transportation costs are posing a barrier to attracting and retaining workers. Benefits that would attract workers at lower wage levels are provided by only 65% of area employers.
- In spite of record job openings, some groups of workers remain outside the active labor force. Older workers, Hispanics and those with inadequate education, still find it difficult to fully participate in the workforce.
- The presence of many school districts was cited as a problem in need of solving (although there were detractors to that suggestion). Students are not retained in the schools.

- There is inadequate funding for adult education in the region and no or limited training for the incumbent workforce.
- Liability insurance is becoming a bigger issue for internships and other work-based learning opportunities.

Strengths:

- The community is active and engaged with solid leadership and a “can do” attitude. The “Dell” story is characteristic of the community focused, collaborative, solutions based approach the region takes to attracting and supporting businesses and area residents. Local government and economic development groups work with state government and education to attain economic goals. The workforce and social service providers meet regularly to ensure coordination of services.
- The Community College is highly regarded for its leadership in responding to community needs and leveraging resources. The region has successfully obtained grants to address nursing and construction needs which include substantial industry investments. .
- There are many model practices in the K-12 system in the valley. Some examples are: the Wood River and Cassia County technical academies, work based learning coordinators in Twin Falls and Jerome High Schools and practices to keep students in school such as the CSI visit for 6th graders and projects for teens.
- Jobs in the area can now offer career paths and with postsecondary professional technical training workers can command \$14-20 per hour, well above the average wage of \$11 per hour.
- Navigation and job skills training helps many in programs for special populations.

Recommendations/solutions:

The group made the following recommendations for community, regional and state action:

- Increase awareness of the education/career connection for parents and students :
 - State needs to contribute to career awareness by promoting jobs available, wage rates, training opportunities, etc.
 - Develop a marketing campaign directed to parents;
 - Develop and/or provide classes to high schools students related to career decision-making and the school/work connection.
 - Identify motivators to keep kids in school and promote/offer incentives (employers should tailor employment practices to educational attainment – example, bonus for grades, tying employment to school performance, awards, etc.—could make a statewide program).
- Expand the quality and size of the labor pool
 - Market Idaho jobs to potential employees using techniques normally reserved for business attraction; e.g. trade show approach.

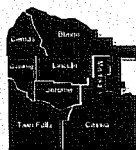
- Support employer incentives for incumbent worker training and additional support for labor shortage occupations
- Identify groups of individuals who have not traditionally participated and bring them into the workforce via recruitment and training, including adult education (disabled, older workers, underemployed, etc.)
- Train employers in retention strategies and techniques tied to labor pool;
- Expand business, education, workforce partnerships
- Support funding for K-12, PTE and adult education services; we can't keep asking more without additional funding
- Experiment with flexible scheduling, benefit plans etc to attract and retain workers.
- Strengthen Professional-Technical Education
 - Expand support for professional technical education; change perception
 - Include PTE in core credit requirements
 - Funding formula for community colleges should look at performance in relation to PTE response to business needs.
 - Begin apprenticeship programs in partnership with business (manufacturing suggested)
- Additional communication/training by state:
 - Policy makers need to revisit the issue of consolidation of school districts
 - Develop student retention policies such as credit transfers in K-12, focus on early educational intervention/achievement, parental involvement, employer engagement.
 - Policies should have public review before they become final—provide time to comment.
 - Prevent/solve drug problem—attack early skill attainment, recovery programs, strong deterrents perhaps a model that includes moving from “addiction to work.”

Region IV – South Central Idaho Survey Results – Top 5 Issues

<p>Improve the K-12 Pipeline</p> <ul style="list-style-type: none"> • Retain students in school/ develop incentives (2) • Retain students in school & transition to postsecondary • Use k-12 transition/school to work programs • Improve reading levels • Provide training in work ethics • Expand tech centers • Educate kids • Avoid policies that chip away at school funding
<p>Strengthen Post-Secondary</p> <ul style="list-style-type: none"> • Expand technical education • Make postsecondary more affordable • Provide funding for access to education
<p>Strengthen and Grow Workforce</p> <ul style="list-style-type: none"> • Develop & enhance availability of a skilled, willing workforce (3) • Support life-long learning for all populations/post secondary (2) • Provide postsecondary training, including PTE • Offer incumbent worker training • Develop/expand employer apprenticeship programs (2) • Engage senior workforce/educate employers (2) • Begin working with Hispanic community/resources • Create drug free workplace/solve drug problems (5) • Assistance for commuters (fuel)
<p>Strengthen business</p> <ul style="list-style-type: none"> • Develop strong retention/expansion efforts for current business (2) • Develop policies that support strong agricultural prices
<p>Strengthen business-education-government partnerships (2)</p> <ul style="list-style-type: none"> • Focus on how to build partnerships • Bring business into the schools
<p>Strengthen Communities</p> <ul style="list-style-type: none"> • Community cooperation • Infrastructure to support growth • Develop community mindedness • Protect natural resources
<p>Miscellaneous</p> <ul style="list-style-type: none"> • Allow workforce dollars to better respond to business climate • Fund programs that work (2) • Share information on programs/services

South Central Idaho

How much can the share of these age groups expect to change over the next decade?

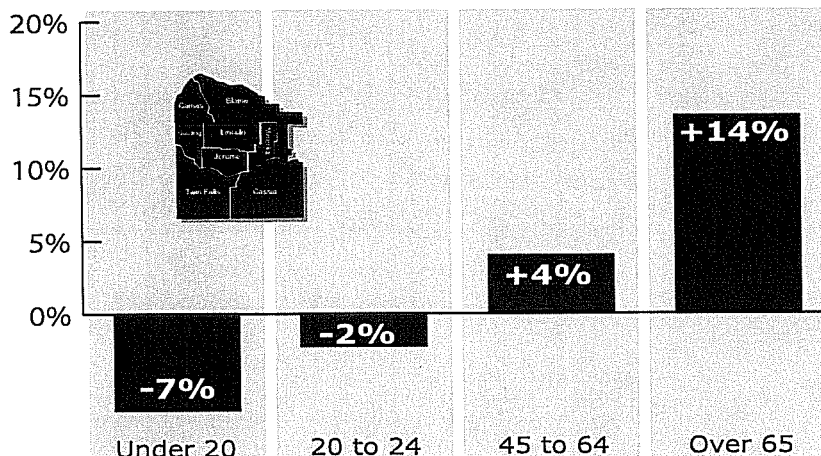


Region

4

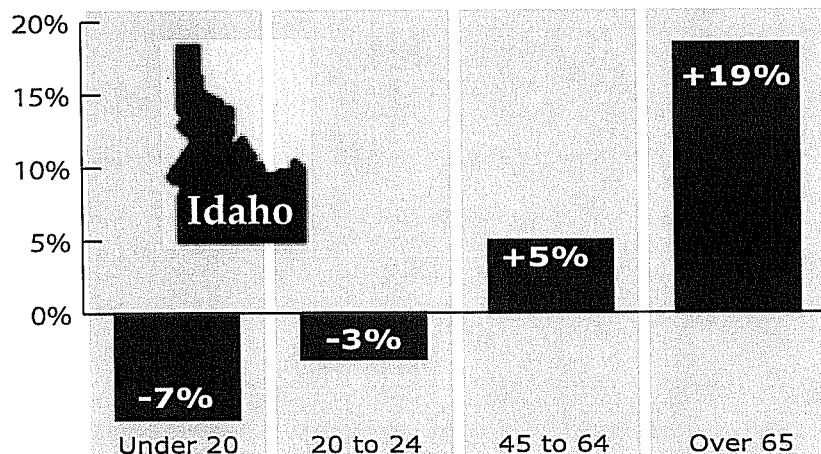
Population Shift in South Central Idaho

Percentage Change of Age Group's Share of the Population from 2005 to 2015



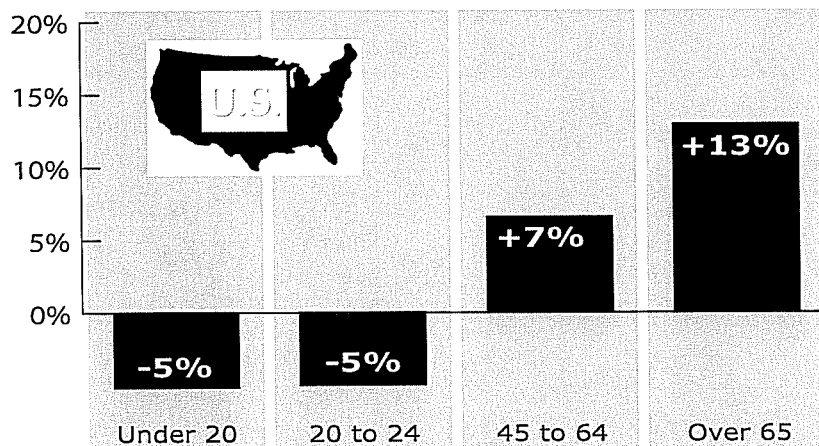
Population Shift in Idaho

Percentage Change of Age Group's Share of the Population from 2005 to 2015



Population Shift in the U.S

Percentage Change of Age Group's Share of the Population from 2005 to 2015

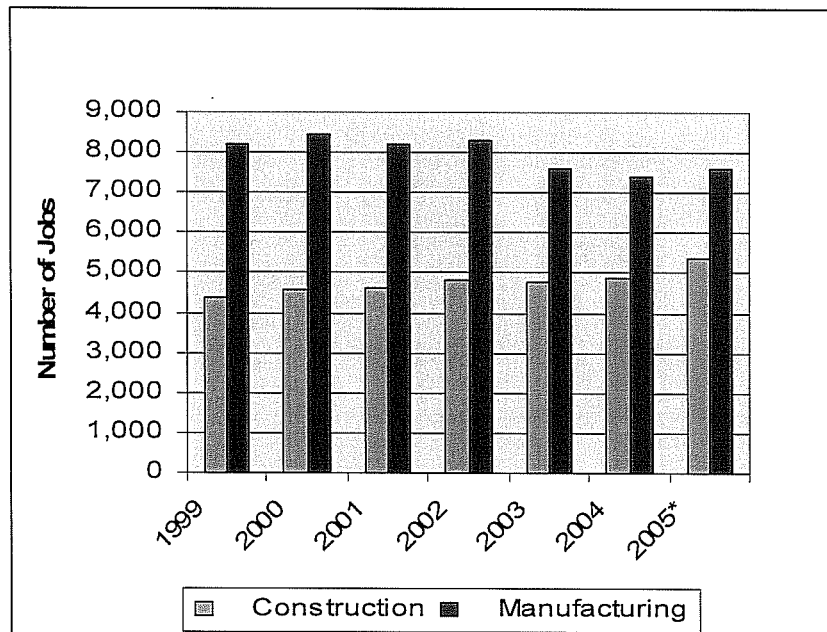


South Central Idaho – Region 4

Jobs by Industry, 2000 Compared to 2005

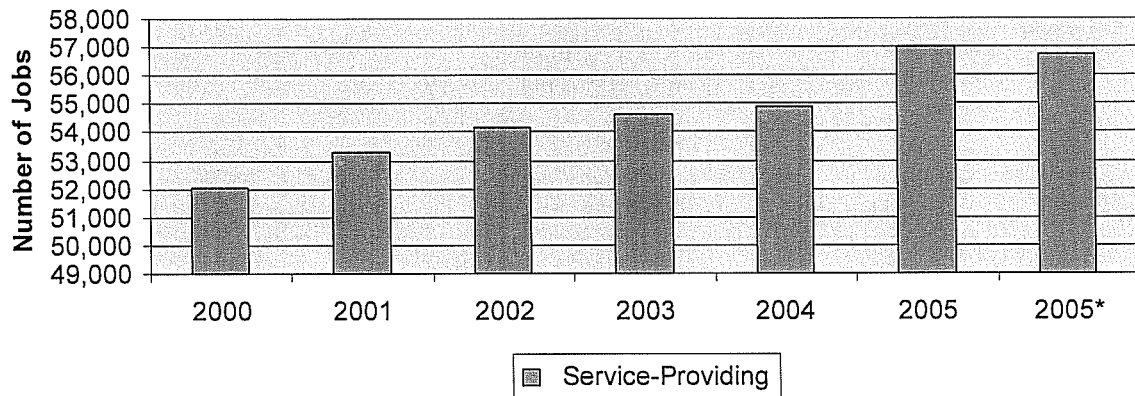
SOUTH CENTRAL IDAHO	2000	2005	Number Growth 2000-2005	Percentage Growth 2000-2005
Nonfarm Payroll Jobs - NAICS	65,264	70,335	5,070	7.8%
Goods Producing	13,191	13,331	140	1.1%
Natural Resources and Mining	176	271	95	53.8%
Construction	4,578	5,423	845	18.5%
Manufacturing	8,434	7,637	-797	-9.4%
Food Manufacturing	5,698	4,745	-953	-16.7%
Other Manufacturing	2,735	2,892	157	5.7%
Service-Providing	52,074	57,004	4,930	9.5%
Trade, Transportation, and Utilities	16,167	16,313	146	0.9%
Wholesale Trade	3,186	3,283	97	3.0%
Retail Trade	9,591	9,568	-23	-0.2%
Utilities	340	343	4	1.0%
Transportation & Warehousing	3,050	3,120	70	2.3%
Information	1,027	1,124	97	9.5%
Financial Activities	2,523	3,049	527	20.9%
Professional and Business Services	5,452	7,668	2,217	40.7%
Educational and Health Services	5,046	5,886	840	16.7%
Leisure and Hospitality	7,233	7,443	210	2.9%
Other Services	2,269	2,491	222	9.8%
Government Education	5,517	5,882	365	6.6%
Government Administration	6,841	7,148	306	4.5%

Construction and Manufacturing Jobs, 2000-2005

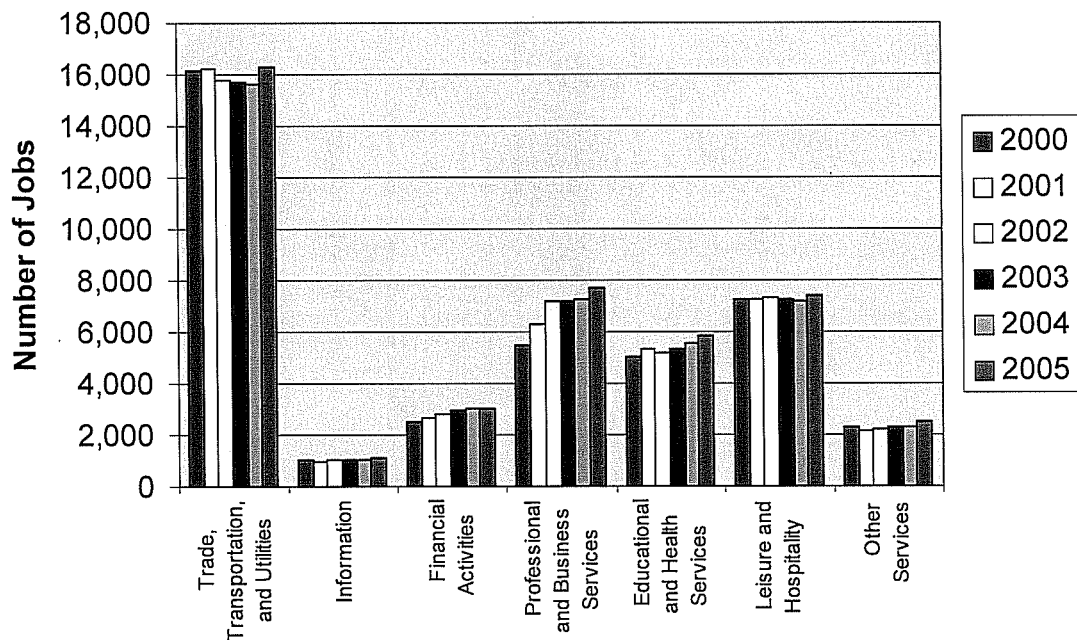


South Central Idaho — Region 4

Service-Providing Jobs, 2000-2005



Service-Providing Jobs by Industry, 2000-2005



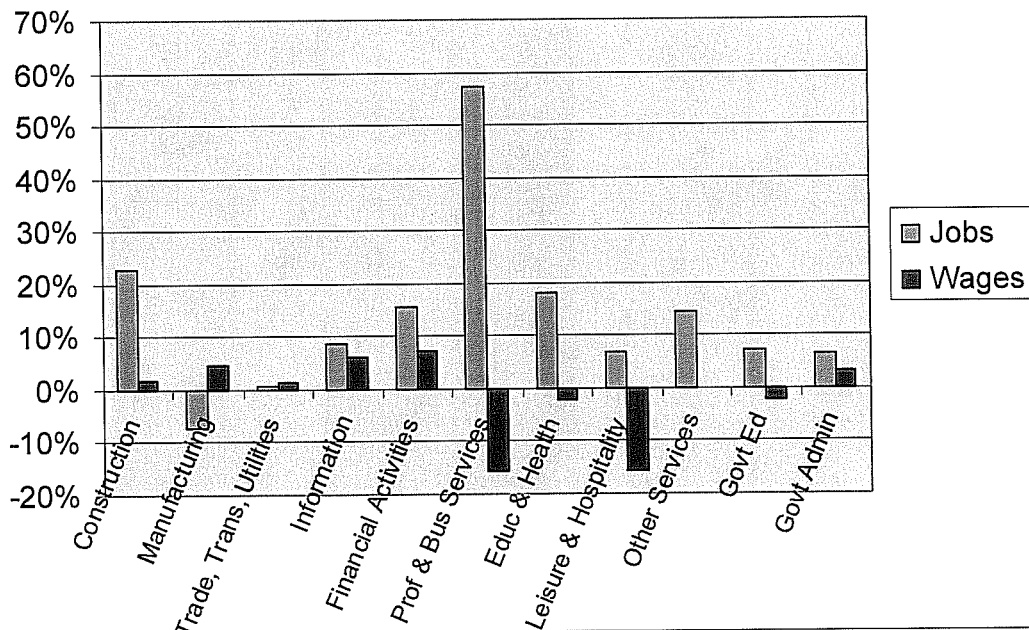
South Central Idaho – Region 4

Real Average Annual Covered Wages

	2000*	2005	Growth
Nonfarm Payroll Jobs	\$27,007	\$26,726	-1.0%
Goods Producing	\$31,232	\$32,114	2.8%
Natural Resources and Mining	\$30,054	\$27,705	-7.8%
Construction	\$31,059	\$30,717	-1.1%
Manufacturing	\$31,351	\$33,261	6.1%
Food Manufacturing	\$31,437	\$33,772	7.4%
Service-Providing	\$25,915	\$25,441	-1.8%
Trade, Transportation, & Utilities	\$25,165	\$26,238	4.3%
Wholesale Trade	\$30,901	\$32,290	4.5%
Retail Trade	\$21,794	\$22,673	4.0%
Utilities	\$38,763	\$38,233	-1.4%
Transportation & Warehousing	\$28,316	\$30,180	6.6%
Information	\$28,717	\$30,096	4.8%
Financial Activities	\$36,023	\$36,053	0.1%
Professional & Business Services	\$31,623	\$26,437	-16.4%
Educational & Health Services	\$26,654	\$26,042	-2.3%
Leisure & Hospitality	\$16,051	\$12,657	-21.1%
Other Services	\$21,150	\$21,371	1.0%
Government Education	\$26,591	\$26,263	-1.2%
Government Administration	\$29,987	\$31,023	3.5%

* Adjusted to 2005 Dollars

Percent Change in Jobs and Wages, 2000-2005



Skill Challenges

South Central Idaho has a skilled and ethical workforce. Even though there is ample and skilled labor, there is difficulty matching emerging jobs with worker's skills. The transition from an industry-based economy to a knowledge/information based economy has changed the skill sets required to be successful in the workforce. Some of the skills employers are looking for include:

- establishing and maintaining interpersonal relationships
- getting information needed to do the job
- communication with supervisors
- peers or subordinates
- organizing planning and prioritizing work
- updating and using job-relevant knowledge
- making decisions and solving problems
- customer and personal service
- English language
- education and training
- psychology
- mathematics
- science
- reading comprehension
- active learning and listening
- speaking
- writing
- critical thinking

Worker shortages include:

- skilled production workers
- welders
- healthcare
- computer systems
- specialty trade contractors
- retail sales

We are losing our younger workforce for various reasons – jobs not available, better wages and benefits, increased opportunities. This trend needs to be reversed because without a young workforce, we don't have a workforce to train for the skills that employers will need.

Employers are also experiencing higher rates of turnover. With more job opportunities available, many workers began playing musical chairs with their jobs—changing jobs on a whim.

South Central Idaho – Region 4

Changes in Labor Force for South Central Idaho Counties

Seasonally Adjusted Data	July 2006				July 2005				Year Over Year Change in	
	CIVILIAN LABOR FORCE	UNEMP	%		CIVILIAN LABOR FORCE	UNEMP	%		Emp	Unemp
			UNEMP	TOTAL EMPLOY			UNEMP	TOTAL EMPLOY		
STATE OF IDAHO	756,455	27,503	3.6	728,952	740,660	27,980	3.8	712,680	16,272	-477
Blaine	14,403	473	3.3	13,930	14,143	446	3.2	13,698	232	27
Camas	581	16	2.7	565	576	20	3.4	556	9	-4
Cassia	10,661	454	4.3	10,206	10,264	444	4.3	9,821	386	11
Gooding	9,104	277	3.0	8,827	8,312	264	3.2	8,048	779	13
Jerome	10,878	355	3.3	10,524	10,326	357	3.5	9,969	555	-2
Lincoln	2,597	117	4.5	2,480	2,433	114	4.7	2,319	161	3
Minidoka	10,049	478	4.8	9,571	9,683	475	4.9	9,208	363	3
Twin Falls	40,464	1,313	3.2	39,151	38,351	1,262	3.3	37,088	2,063	50
Annual Average 2005										
	CIVILIAN LABOR FORCE	UNEMP	%		CIVILIAN LABOR FORCE	UNEMP	%		Year Over Year Change in Emp	Unemp
			UNEMP	TOTAL EMPLOY			UNEMP	TOTAL EMPLOY		
STATE OF IDAHO	738,739	28,183	3.8	710,556	703,067	33,339	4.7	669,728	40,828	-5156
Blaine	14,336	384	2.7	13,952	13,463	467	3.5	12,996	956	-83
Camas	614	24	3.9	590	603	25	4.2	578	12	-1
Cassia	10,157	466	4.6	9,690	9,836	586	6.0	9,250	440	-120
Gooding	8,333	250	3.0	8,083	7,789	297	3.8	7,492	591	-47
Jerome	10,121	355	3.5	9,765	9,741	428	4.4	9,314	451	-73
Lincoln	2,564	107	4.2	2,457	2,430	128	5.3	2,302	155	-21
Minidoka	9,642	556	5.8	9,087	9,381	740	7.9	8,641	446	-184
Twin Falls	37,646	1,312	3.5	36,333	36,431	1,553	4.3	34,879	1,454	-241

SOURCE: Idaho Commerce & Labor, Research & Analysis and Public Affairs

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<u>Jim</u>	<u>Cobble</u>	Jerome School District
<u>Linda</u>	<u>Culver</u>	Congressman Mike Simpson
<u>Margo</u>	<u>Dixon</u>	Arbor Education and Training
<u>Marlin</u>	<u>Eldred</u>	City of Jerome
<u>Jim</u>	<u>Fields</u>	College of Southern Idaho Office on Aging
<u>Charlotte</u>	<u>Frazier</u>	Buhl Chamber of Commerce
<u>John</u>	<u>Hathaway</u>	Dept of Health and Welfare
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<u>Kimberly</u>	<u>King</u>	College of Southern Idaho
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<u>Jessica</u>	<u>Myers</u>	Twin Falls Area Chamber
<u>Laural</u>	<u>Nelson</u>	Valley School District
<u>Chris</u>	<u>Orders</u>	Idaho Commerce & Labor
<u>Con</u>	<u>Paulos</u>	Con Paulos Inc
<u>Lisa</u>	<u>Roberts</u>	Arbor Education and Training
<u>Scott</u>	<u>Roberts</u>	Alliance Title & Escrow Corp
<u>Jan</u>	<u>Rogers</u>	Southern Idaho Economic Development Organization
<u>Greg</u>	<u>Rogers</u>	Idaho Commerce & Labor
<u>Bob</u>	<u>Sheppard</u>	Mini Cassia Economic Development Commission
<u>Marian</u>	<u>Steel</u>	College of Southern Idaho
<u>Brent</u>	<u>Tolman</u>	ICL
<u>Cyndie</u>	<u>Woods</u>	Idaho Residential Construction Education (IRCE)
<u>David</u>	<u>Yoder</u>	Jayco
Susan	Baca	Magic Valley Youth & Adult Services
Scott	Johnson	Magic Valley Youth & Adult Services
Al	Stevenson	St. Benedicts Family Medical Center
Roy	Prescott	Prescott Cattle
Cameron	Milton	Seneca Foods Corp.
Sherri	Miles	City of Rupert
Jody	Tremblay	Magic Valley Regional Medical Center
Dan	Olmstead	Idaho Power
Sandy	Miller	Times-News Magic Valley

Region V e³ a continuing dialogue – meeting summary

Key Labor Market Findings:

- In the next 10 years, the Southeast Idaho area will follow the pattern of the state with significant increases in population over 65 and fewer younger individuals. Younger workers and their families are currently leaving the area because they aren't prepared for the jobs that are available. There is an ample skilled workforce but the skill sets do not match those in emerging industries.
- Job growth in the service providing industries has been on the increase while manufacturing has declined in real numbers of jobs, but those jobs have demonstrated growth in the wages paid. Service jobs are showing the greatest increase in professional and business services. Education, health care and financial services are growing. Skill shortages have occurred and are predicted to remain in engineering, health care, computer systems and specialty trades/construction all of which demand a higher level of preparation than jobs that have left the area.

Challenges:

- The culture of the area does not embrace the skill preparation required for emerging jobs or jobs the area would like to attract. Educational opportunities at the secondary and post secondary level are under enrolled due to lack of interest. These are primarily skill demands filled by technical education
- There is a lack of understanding among teachers, parents and students about the relationship between education and work and the opportunities available in the community.
- There is not enough attention to career education at the secondary or post-secondary level. Good jobs remain open in manufacturing and technical areas due to the lack of a skilled workforce. Costs for career education limits access for students who must pay “university” fees for technical training.
- Policies governing teacher training and tenure do not inspire “passion” or accountability.

Strengths:

- The region is home to a University that offers the full range of education and training and is experimental in its efforts to attract students to growing areas. The professional-technical school in the university offers 40 different programs.
- Proximity to the INL and the location of new industry in the region offers employment opportunities that offer good wages to residents.
- The University and local schools use tech-prep, dual credit and other options to foster transition for youth from high school to postsecondary training.
- The area is well located on good transportation routes, offers ample opportunity for outdoor adventures and relatively low costs of living. The occupational mix is changing and businesses are finding the area attractive as a place to relocate/expand.

Recommendations/solutions:

The group made the following recommendations for community, regional and state action:

- Increase awareness of the education/career connection for parents and students :
 - Promote a cultural change by educating parents, teachers and students about the availability of good jobs and the education and service resources available to support.
 - Change the value proposition from brawn to brains – value of career technical education/AA degrees
 - Bring job and career coaches into the schools
- Strengthen education and workforce preparation
 - Develop business-education partnerships to better inform and prepare students/create apprenticeships and internships in business settings.
 - Expand support for professional technical education
 - Increase math/science attainment by upgrading teaching methods, relating it to career education and training/practical applications
 - Encourage teachers with passion for the subject- teachers teaching teachers or business teaching teachers
 - Provide greater access between teachers-business
 - Provide community college access
- Additional communication/training by state:
 - Regional representatives on WDC and EAC form a committee to guide implementation of recommendations at the regional level

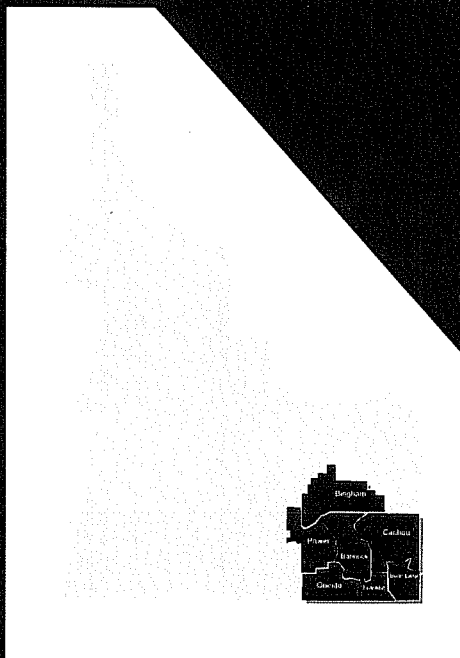
Region V - Southeast Idaho

Survey Results – Top 5 Issues

<p>Improve the K-12 Pipeline/Strengthen Postsecondary</p> <ul style="list-style-type: none"> • Quality primary and secondary with additional technical ed (mechanical/electrical) • Sell idea of skills and jobs rather than degrees • Help school districts understand value of career education • Get information on education/jobs to all stakeholders/change culture • Promote skills for jobs in Idaho industries/develop programs to meet industry needs (2) • Incorporate broadband/distance learning • Economic development to enhance/grow programs at ISU College of Technology
<p>Strengthen and Grow Workforce</p> <ul style="list-style-type: none"> • Support life-long learning/bring underemployed adults back to the classroom
<p>Strengthen business</p> <ul style="list-style-type: none"> • Tax breaks for new business/expansion
<p>Strengthen business-education-government partnerships</p> <ul style="list-style-type: none"> • Business must identify needs • Integrate business-education at all levels • Develop a model with local leadership/partnering
<p>Strengthen Communities</p> <ul style="list-style-type: none"> • Market Idaho • Promote good jobs/50 k plus (2) • Promote region's location, wages, health care and university to broad audience (2) • Lower property taxes in Bannock County

Southeastern Idaho

How much can the share of these age groups expect to change over the next decade?

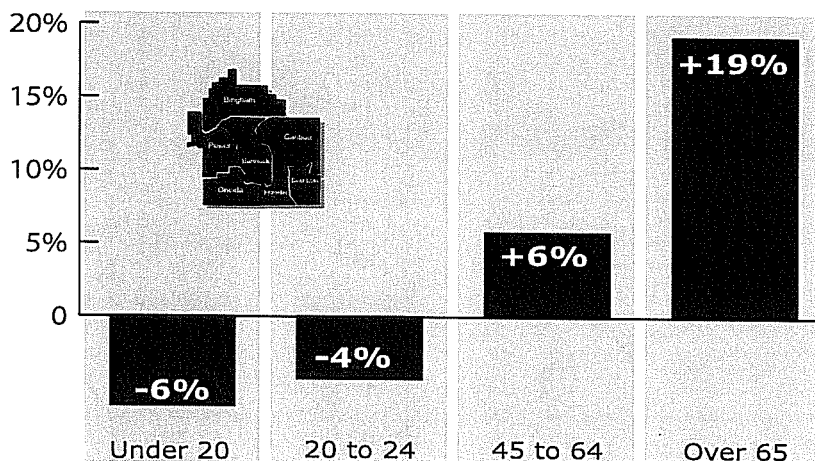


Region

5

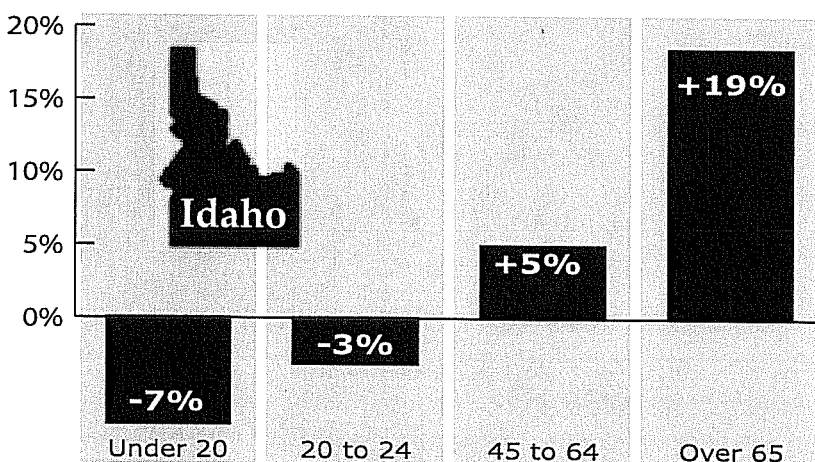
Population Shift in Southeastern Idaho

Percentage Change of Age Group's Share of the Population from 2005 to 2015



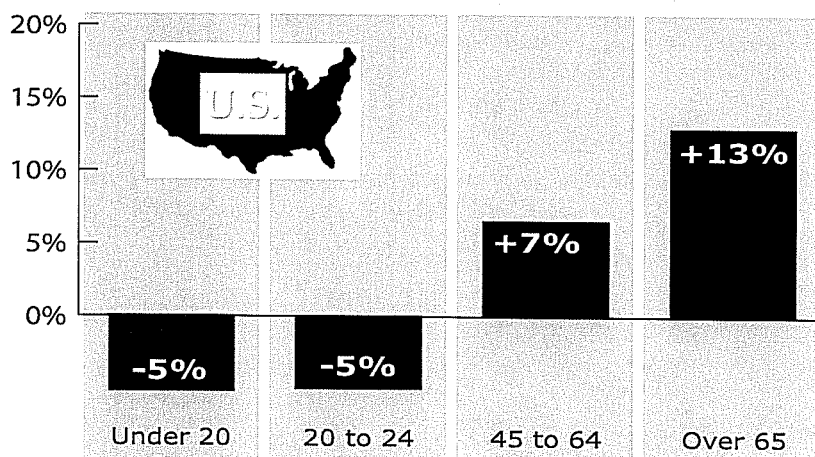
Population Shift in Idaho

Percentage Change of Age Group's Share of the Population from 2005 to 2015

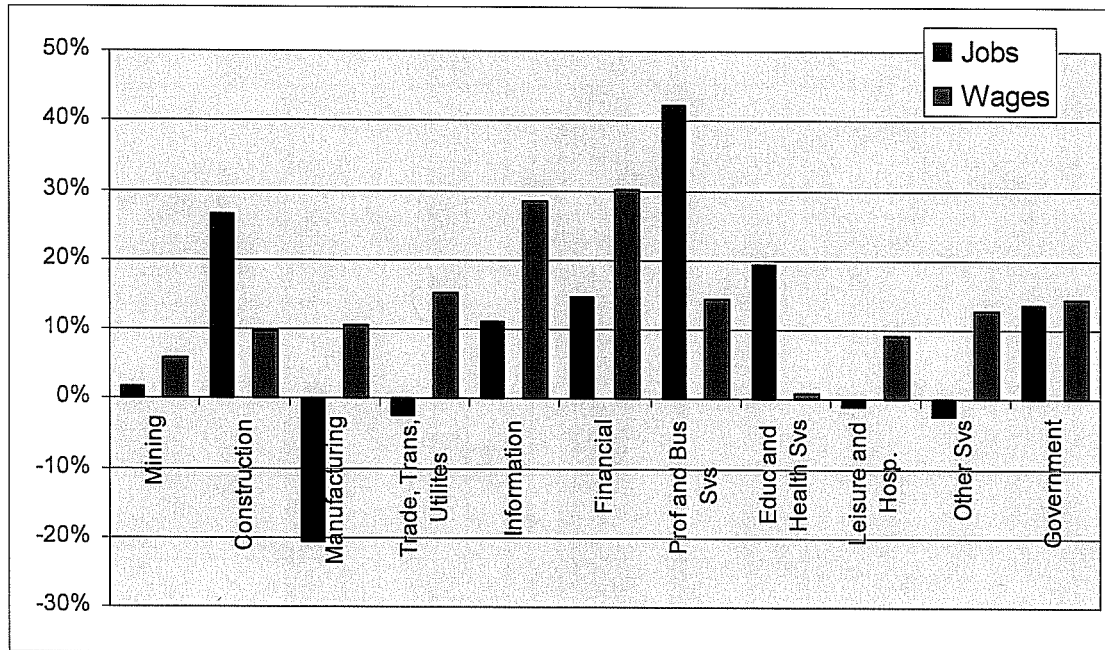


Population Shift in the U.S

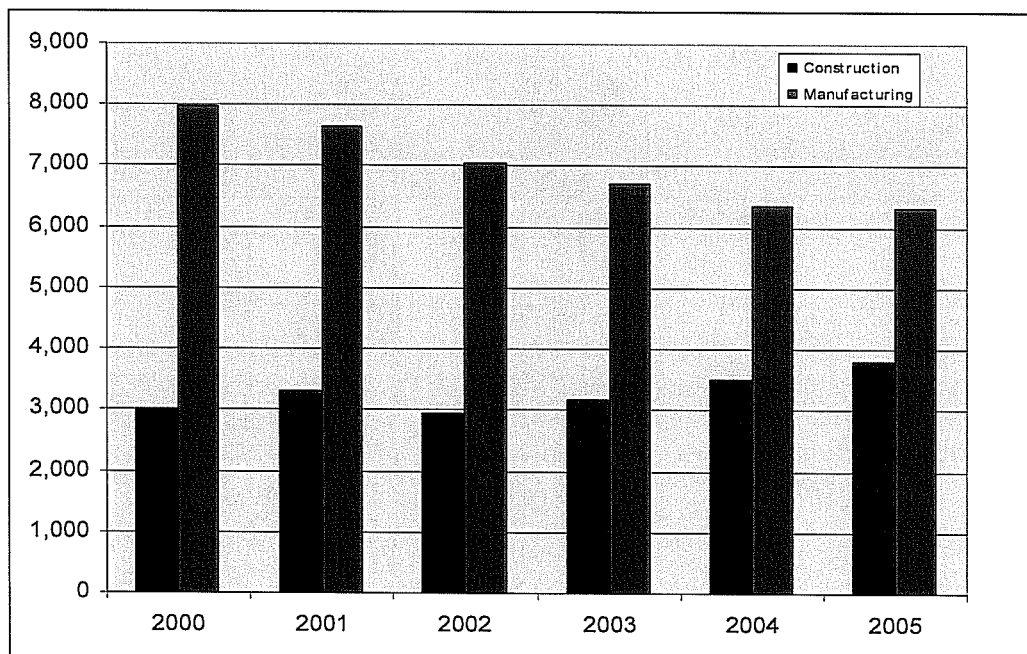
Percentage Change of Age Group's Share of the Population from 2005 to 2015



Percentage Change in Jobs and Wages by Industry 2000 - 2005

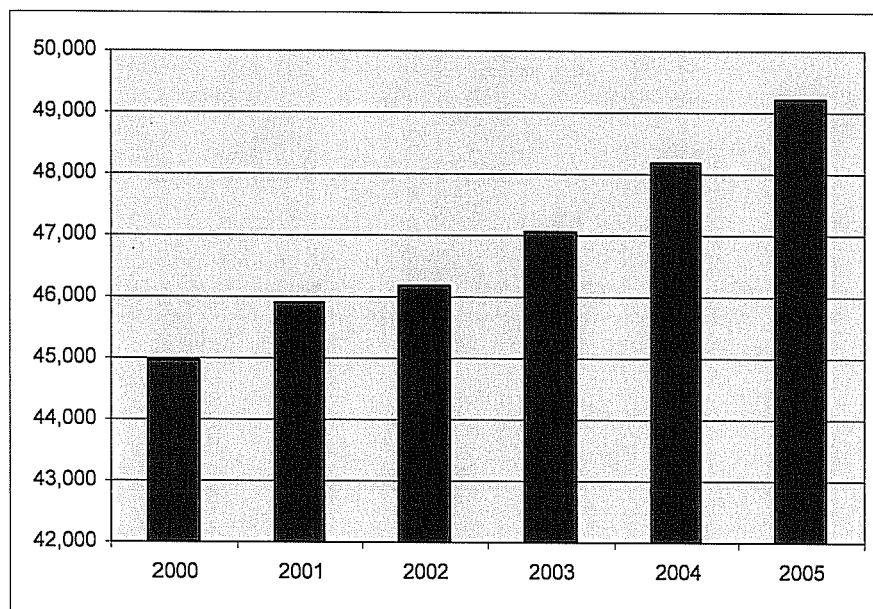


Change in Numbers of Construction and Manufacturing Jobs 2000 - 2005

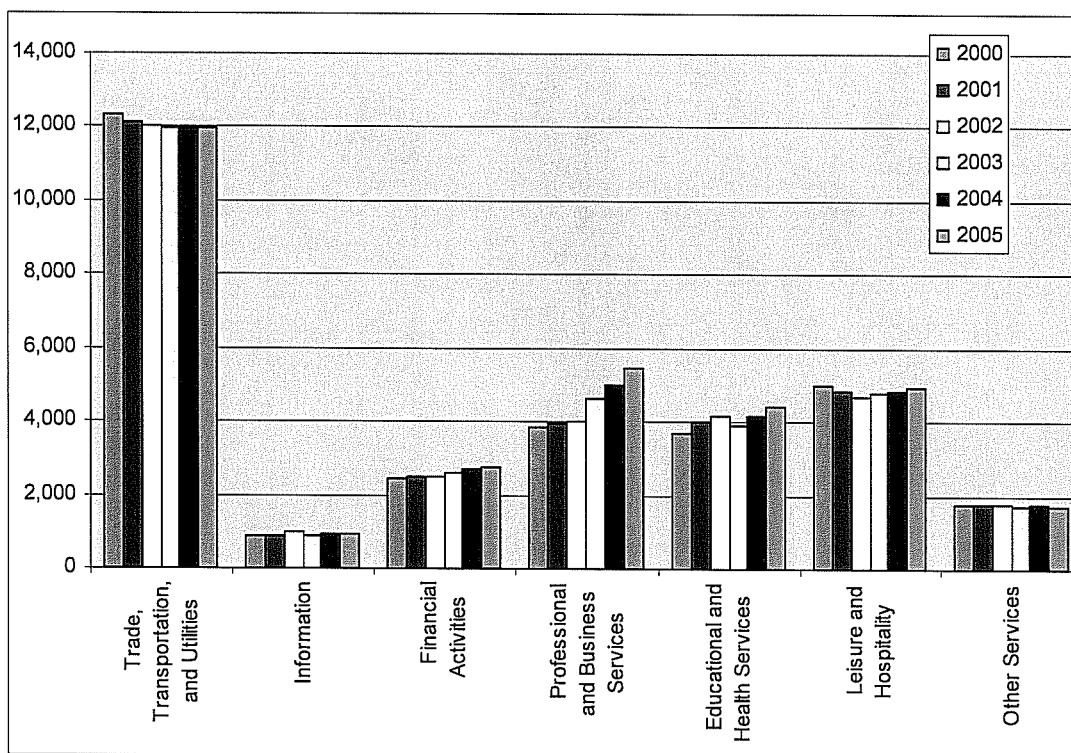


Southeastern Idaho — Region 5

Change in Number of Service-Providing Industries Jobs, 2000 -2005



Changes in Number of Service-Providing Industry Jobs by Sectors, 2000 - 2005



Southeastern Idaho – Region 5

Skills Impact

The Southeastern region has a skilled and ethical work force. Even though there is ample and skilled labor, there is difficulty matching emerging jobs with worker's skills. Historically low unemployment throughout the region has created worker shortages in high demand occupations such as retail trade and leisure and hospitality. Skill shortages have occurred and are predicted in:

- Engineering
- Computer systems
- Healthcare
- Specialty trades construction/project management

The transition from an industry-based economy to a knowledge/information based economy has changed the skill sets required to be successful in the work force.

TRADITIONAL SKILLS	EMERGING SKILLS
Understanding and following instructions	Thinking, problem-solving, reasoning and communication skills
Learn one or two basic skills/procedures	Continuous learning
Labor intensive skills	Information/knowledge, problem-solving skills
No or little high tech or computer skills	Computer-based labor market
Same job over lifetime with no or little change or training	Changes jobs/careers 7 times over lifetime
OJT/ union training	Certification/degree more important
	Customer service – polite, good manners

Employers report worker's need good communication, math, problem-solving and team-work skills. Training needs to be job/site specific.

Talented youth are leaving the area because:

- Jobs are not available
- Better wages elsewhere
- Increased opportunities in other places

This trend must be reversed.

Southeastern Idaho – Region 5

Changes in Labor Force for Southeastern Idaho Counties

August 4, 2006 Seasonally Adjusted Data	July 2006				July 2005				Year Over Year	
	CIVILIAN		%		CIVILIAN		%		Change in Emp	Unemp
	LABOR FORCE	UNEMP	UNEMP	TOTAL EMPLOY	LABOR FORCE	UNEMP	UNEMP	TOTAL EMPLOY		
STATE OF IDAHO	756,956	27,552	3.6	729,404	740,660	27,980	3.8	712,680	16,724	(428)
Bannock	41,461	1,597	3.9	39,864	41,824	1,564	3.7	40,260	(395)	33
Bear Lake	3,020	110	3.6	2,910	3,059	109	3.6	2,950	(40)	0
Bingham	21,490	940	4.4	20,550	21,917	796	3.6	21,121	(571)	144
Caribou	3,281	155	4.7	3,126	3,308	151	4.6	3,158	(31)	4
Franklin	6,283	112	1.8	6,171	5,850	170	2.9	5,681	490	(58)
Oneida	2,321	57	2.4	2,264	2,195	47	2.1	2,148	116	10
Power	3,578	171	4.8	3,407	3,604	163	4.5	3,441	(34)	8
STATE OF IDAHO	Annual Average 2005				Annual Average 2004				Year Over Year	
	CIVILIAN		%		CIVILIAN		%		Change in Emp	Unemp
	LABOR FORCE	UNEMP	UNEMP	TOTAL EMPLOY	LABOR FORCE	UNEMP	UNEMP	TOTAL EMPLOY		
STATE OF IDAHO	738,739	28,183	3.8	710,556	703,067	33,339	4.7	669,728	40,828	(5,156)
Bannock	41,002	1,564	3.8	39,439	39,800	1,858	4.7	37,942	1,496	(294)
Bear Lake	3,147	125	4.0	3,022	3,085	144	4.7	2,941	81	(19)
Bingham	21,653	792	3.7	20,861	21,096	918	4.4	20,178	683	(126)
Caribou	3,354	174	5.2	3,180	3,257	220	6.8	3,037	143	(46)
Franklin	6,263	189	3.0	6,074	5,925	231	3.9	5,694	380	(42)
Oneida	2,237	54	2.4	2,183	1,983	62	3.1	1,921	262	(8)
Power	3,820	172	4.5	3,648	3,685	226	6.1	3,459	189	(54)

SOURCE: Idaho Commerce & Labor, Research & Analysis and Public Affairs

Shelley	Allen	Idaho Commerce & Labor
Lawrence	Beaty	Idaho State University Electronics Dept.
Dale	Belnap	Idaho Commerce & Labor
Joe	Burgoyne	Mortgage Solutions Plus
Connie	Cutberth	J R Simplot Co
Millie	Flandro	Century High School
Marsha	Harman	Idaho Commerce & Labor
Sarah	Jackson	Idaho Commerce & Labor
Margaret	Jacob	Idaho State University College of Technology
Mark	Mayfield	Idaho Commerce and Labor-Pocatello
Judy	McClanahan	Partners for Prosperity
Karen	McGee	Idaho Workforce Development Council
Barbara	Nash	People 2 Gente
Scott	Rasmussen	Idaho State University
Judi	Robinson	SE Ida. Council of Governments
Debbie	Ronneburg	ISU College of Technology
Kandi	Rudd	Idaho Commerce & Labor
Bruce	Small	Vocational Rehabilitation
Carol	Mundt	Idaho State University
Richard	Holman	Idaho National Laboratory
Mary	Davis	Idaho Commerce and Labor
Artie	Holmes	Idaho Commerce & Labor
Ann Marie	Corbridge	ISU Tech Prep
Linda	Marley	Professional Technical Education
Emma	Gebo	Super Save of Idaho

Region VI e³ a continuing dialogue – meeting summary

Key Labor Market Findings:

- Fewer workers are entering the labor force, particularly younger workers and young families. Of those who are there, many are leaving the area for better opportunities, leaving a shortage of young workers to train. Although the population shift in the area is not as dramatic as some other areas, those over 65 will continue to be the fastest growing segment of the population. A significant number of scientists and engineers are 50+ with too few skilled younger workers prepared to fill the gap as baby boomers retire.
- The area is home to the INL which creates a demand for highly skilled jobs, many filled by recruiting from outside the area. Nursing and other medical professions are experiencing shortages as are local manufacturers. Retail sales and food service are finding it difficult to fill jobs. New companies offering higher wages and benefits are able to recruit workers away from existing employers.
- Wages have increased in all categories between 2000-2005 with professional technical and scientific services, utilities, mining and management of companies/enterprises with the highest wages.

Challenges:

- Too few young people are staying in the area, leaving for better opportunities and an improved social life (their words). They are unaware of the many opportunities for work at the INL which offer good paying jobs in highly technical areas and in support. Many are unwilling to work in high demand health care and manufacturing because of working conditions or shift work.
- The workforce is shrinking, with the pending retirement of “older workers” adding to the problem of too few younger workers available to train.
- There is a lack of understanding among teachers, parents and students about the relationship between education and work and the opportunities available in the community.
- There is not enough attention to career education at the secondary or post-secondary level. Good jobs remain open in manufacturing and other technical areas due to the lack of a skilled workforce.
- Some groups of workers remain outside the active labor force. Older workers, persons with disabilities and those with inadequate education, still find it difficult to fully participate in the workforce. The region was particularly concerned with welfare recipients and the poor who are unable to participate in training programs because of lack of resources for transportation, training and living expenses.
- Wages are too low in much of the area to attract families. Teachers, fire fighters and police are being priced out of the market because wages are not keeping pace with escalating housing costs.
- Training and support programs do not always match labor market needs. There are ample applicants for nursing programs but a shortage of practical sites and instructors does not allow programs to meet demand by trainees or the health care

industry. The new program for truck drivers and nurses is seen as having little or no value for smaller companies who can't manage the risk.

- The lack of personal habits and skills, and drug use are further compromising the availability of the workforce.

Strengths:

- The region is home to a highly educated work force, with comparatively high wages offered for those affiliated with the INL and their technical workforce.
- Education institutions include EITC and satellites for the University of Idaho and Idaho State University as well as BYU. These offer many options for training new entrants to the labor force and retraining those already in employment.
- Community leaders are committed to supporting business growth and expansion and in bringing the underemployed and untapped labor pools.

Recommendations/solutions:

The group made the following recommendations for community, regional and state action:

- Increase awareness of the education/career connection:
 - Provide more information about careers available in the community for students, parents and those in the untapped labor pool; increase awareness of worker shortage areas.
 - Use seniors to mentor younger workers about career opportunities
- Expand the quality and size of the labor pool
 - Retain the older workforce through such practices as workplace flexibility and alternative work options
 - Support employer incentives for incumbent worker training; revise existing programs to better serve smaller employers.
 - Identify individuals in the untapped labor pool and bring them into the workforce via recruitment and training, including adult education (disabled, older workers, underemployed, TANF and other poor, etc.)
 - Retain youth in the community and encourage older workers and others to re-enter the workforce by making them aware of opportunities for employment and training;
 - Use senior centers as a place to recruit.
 - Use seniors to fill the gap when students leave the area on summer break
 - Fill the gap by providing opportunities for entry level workers to move up/provide policies/supports to allow low income workers to participate in training.
- Strengthen Education
 - Increase math/science attainment, and find ways to incorporate and give credit for gains in applied subjects
 - Invest in educators; and do more to attract and retain good science and math teachers

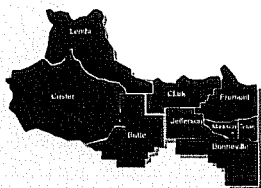
- Build more flexibility into training programs, open-entry/open-exit
 - Expand Career Education
 - Teach life skills training in high school (work ethic, dependability, etc.)
 - INL and other tech industries partner with the schools to encourage change and ensure that needs are met.
- Additional assistance by state.
 - Eliminate policies that penalize low income workers while they are in training or getting on their feet.
 - Develop drug prevention or recovery programs to bring people back into the mainstream.
 - Allow Idaho Commerce & Labor greater control over training they provide and screening of applicants to better match employer requirements.

Region VI – East Central Idaho Survey Results – Top 5 Issues

<p>Improve the K-12 Pipeline and Strengthen Postsecondary</p> <ul style="list-style-type: none"> • Expand career education • Offer soft skills/Financial Literacy/Career Awareness/Life Skills/Work Ethic (3) • Increase training in health services • Increase career knowledge and awareness • Partner seniors with HS students/teachers for career awareness • Increase math and science with credit in applied subjects (3) • Support project based learning for credit in multiple academic/PTE areas • Increase funding – it is an investment (2) • Increase funding for technology in schools • Open/accessible postsecondary/community colleges • Increase teacher retention especially in math/science • Get training to rural communities
<p>Strengthen and Grow Workforce</p> <ul style="list-style-type: none"> • Provide workforce retraining, offer support for low-income (2) • Support incumbent worker training • Coordinate with industry to help spouses of professionals recruited to the area • Prepare for skills in retail and food service • Attract a seasonal workforce (special problem with BYUI during summer break) (2) • Attract and retrain seniors • Concentrate on work for welfare recipients
<p>Strengthen business-education-government partnerships</p> <ul style="list-style-type: none"> • Build awareness/communication among opinion leaders in government, education, business • Increase communication among agencies • Work with industry to build career awareness • Get business with education to identify training needs
<p>Strengthen Communities</p> <ul style="list-style-type: none"> • Infrastructure - broadband, water, sewer (1) • Economic development • Recruit higher paying jobs • Establish a rapid response committee to attract companies to the area • Increase wages & benefits, living wages, increase minimum wage (5) • Drug use intervention (1)
<p>Miscellaneous</p> <ul style="list-style-type: none"> • Build infrastructure to allow maintenance of income/benefits for low income while in training—don't penalize success (2)

East Central Idaho

How much can the share of these age groups expect to change over the next decade?

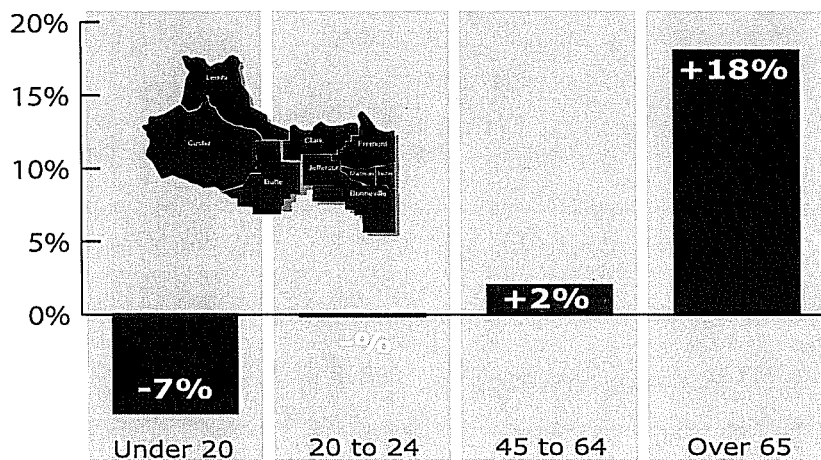


Region

6

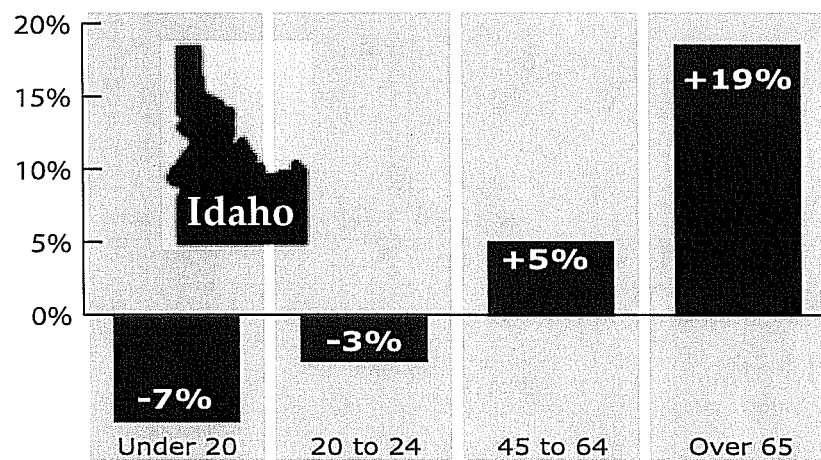
Population Shift in East Central Idaho

Percentage Change of Age Group's Share of the Population from 2005 to 2015



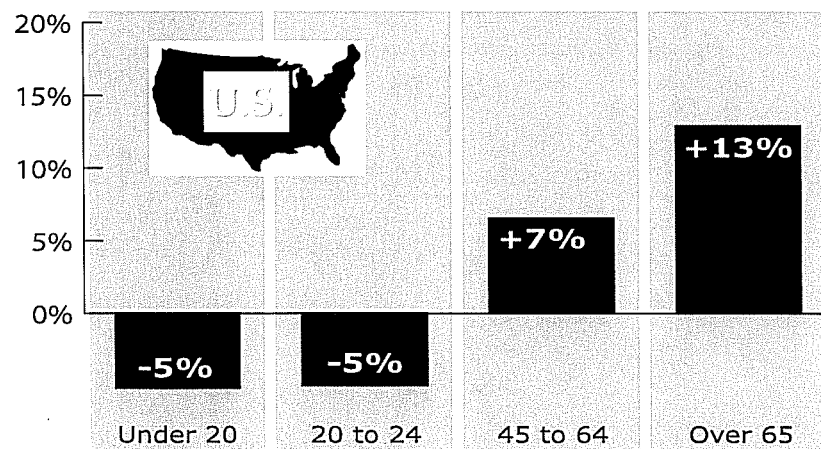
Population Shift in Idaho

Percentage Change of Age Group's Share of the Population from 2005 to 2015



Population Shift in the U.S

Percentage Change of Age Group's Share of the Population from 2005 to 2015



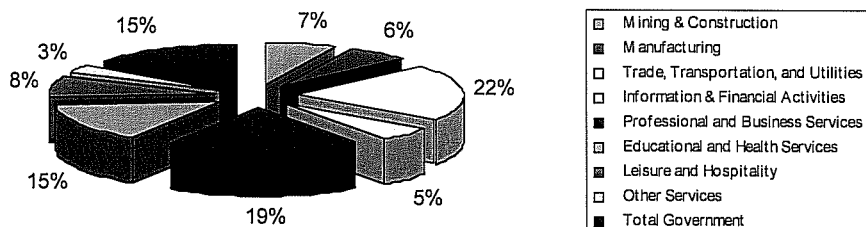
East Central Idaho – Region 6

- East Central Idaho covers nine counties.
- Natural resource-based industries have been hit over the past decade.
 - ◊ Mining and natural resources jobs were down 11 percent from 2000 to 2005.
 - ◊ 2005 looks like the downward trend is slowly reversing.
- Construction is strong in most counties, especially Teton, Madison, Bonneville and Jefferson counties.
- Education and health services show the largest increase with health care growing in all facets.
- Food/beverage stores and clothing/clothing accessories stores collectively down 350.
- Breakouts on business and professional services below for detail.
- Health services show strong growth on ambulatory health care services and social assistance.
- Food and drinking places up almost 300.

Number of Nonfarm Payroll Jobs by Industry

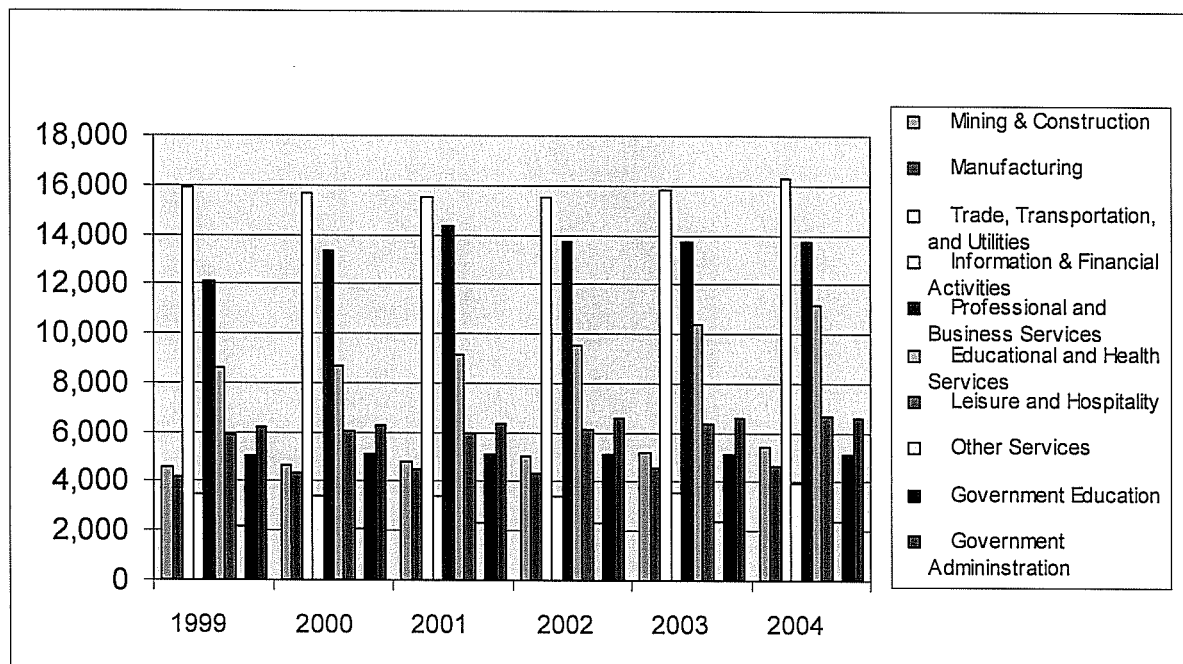
Industry	2000	2005	Numeric Change	Percent Change
Mining & Construction	4,668	5,672	1,004	22%
Manufacturing	4,360	4,781	421	10%
Trade, Transportation, and Utilities	15,673	17,283	1,610	10%
Information & Financial Activities	3,413	4,284	871	26%
Professional and Business Services	13,314	15,104	1,790	13%
Educational and Health Services	8,694	11,853	3,159	36%
Leisure and Hospitality	6,016	6,563	547	9%
Other Services	2,184	2,552	368	17%
Total Government	11,401	11,825	424	4%

Nonfarm Payroll Jobs by Industry 2005



East Central Idaho – Region 6

Changes in Number of Jobs by Industry, 1999-2004



- Professional and business services includes some call centers and much of the Idaho National Laboratory.
 - ◊ Notice 2001 where this was at its peak.
- Educational and health services shows steady increased growth (health-driven).
- Trade now at its peak with second highest year.
- Mining and construction showing steady growth.
- Decline in wholesale trade is pretty dependent on potato and crop production and sales.
- Retail trade shows how even before recession - rural counties played part as well as national economy.
 - ◊ 2003 got back on track.
- Scientific research and development services down, but is dependent on the Idaho National Laboratory.
- Employment services had amazing growth.
- Business support services also experienced major growth.

Annual Wages by Industry, 2000 Compared to 2005

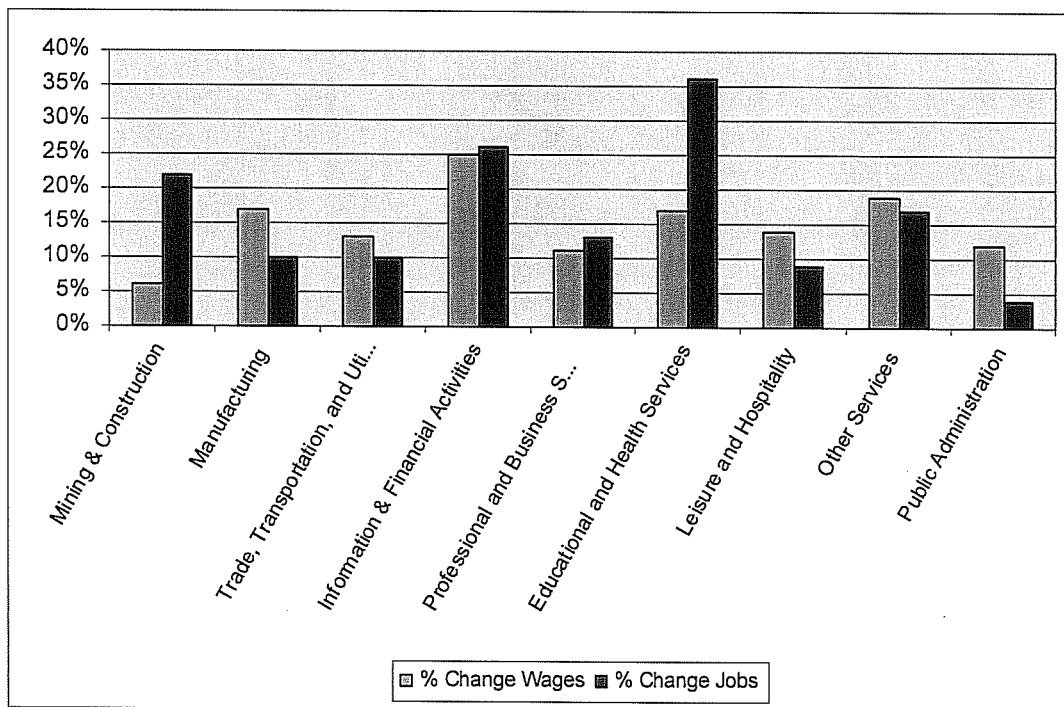
Industry	2000 Avg Wage	2005 Avg Wage	% Change
Mining & Construction	\$ 27,859	\$ 29,620	6.3
Manufacturing	\$ 23,580	\$ 27,510	16.7
Trade, Transportation, and Utilities	\$ 28,004	\$ 31,715	13.3
Information & Financial Activities	\$ 25,074	\$ 31,254	24.6
Professional and Business Services	\$ 42,927	\$ 47,812	11.4
Educational and Health Services	\$ 26,667	\$ 31,098	16.6
Leisure and Hospitality	\$ 9,100	\$ 10,347	13.7
Other Services	\$ 17,748	\$ 21,105	18.9
Public Administration	\$ 27,361	\$ 30,526	11.6

The following industries are the highest paying in east central Idaho:

- Professional, technical and scientific services
- Utilities
- Mining
- Management of companies & enterprises

Leisure and hospitality and other services hire many part-time workers

Wage Growth Compared to Job Growth



Skill Challenges

The area is full of engineers and scientists because of housing the Idaho National Laboratory. Many of these professionals are recruited from all over the world along with some locals. Because of the governor's recent emphasis on Science and Technology, much more attention will be paid to training our own locals to fill more positions at the INL. High school students are somewhat unaware of the potential that the INL brings to the area in thinking of their own careers. Increasing awareness in our students of these possibilities and showing them an educational path to pursue careers at the INL would help retain and empower our young workforce coming up.

Local businesses find it hard to get trained welders and skilled production workers. One problem is that there are different types of welding and each requires training in that specific area. Employers need specific welding for their own operations, so it makes it a little difficult to train in advance unless it is known what types of welders are needed. The same can be true for production workers. Each production operation is different and requires different skills. Our technical college is very good to customize classes for employers as needed, but sometimes that does not take care of immediate deficiencies.

The nursing and medical professions lack educated and skilled workers. We have been aware of this for several years as it is also a national problem.

We are losing our younger workforce for various reasons. Many leave for an education with a social life (their words) and do not return until they have families of their own if they ever return. Many leave for the opportunity of better pay. Many leave for unlimited career opportunities. Without a young workforce, we don't have a workforce to train for the skills that employers will need. Many INL and government jobs will be vacant as the Boomer generation retires and we will be lacking in the local workforce to fill them.

Because the larger populated areas have a low unemployment rate, the lower-paying jobs are harder to fill. Retail sales and fast food jobs find it hard to fill positions in need. New employers coming into the area find it easy to attract more than enough applicants if they offer wages that are slightly higher than the competition, especially with the offering of benefits. This goes hand-in-hand with what we call underemployment. Those that are underemployed are working at a job that requires less skills or education than they have or pays much less than they should be making in the area for their job. We have a large percentage due to spouses that come to Idaho with their INL spouse, but without the opportunities of jobs they once had or people choosing to live here because of the quality of life. We also have conservative employers. When new companies come in, workers will look to better themselves and will be willing to change jobs.

East Central Idaho – Region 6

Changes in Labor Force for East Central Idaho Counties

Seasonally Adjusted Data	July 2006				July 2005				Year Over Year Change in Emp Unemp	
	CIVILIAN		%		CIVILIAN		%			
	LABOR FORCE	UNEMP	UNEMP	TOTAL EMPLOY	LABOR FORCE	UNEMP	UNEMP	TOTAL EMPLOY	Emp	Unemp
STATE OF IDAHO	756,956	27,552	3.6	729,404	740,660	27,980	3.8	712,680	16,724	(428)
Bonneville	49,698	1,579	3.2	48,118	48,884	1,384	2.8	47,500	618	196
Butte	1,243	61	4.9	1,181	1,262	56	4.4	1,206	(24)	5
Clark	509	23	4.4	487	512	31	6.1	481	6	(8)
Custer	2,734	109	4.0	2,626	2,572	118	4.6	2,455	171	(9)
Fremont	5,604	259	4.6	5,345	5,651	224	4.0	5,427	(82)	36
Jefferson	11,104	403	3.6	10,701	10,919	356	3.3	10,563	138	47
Lemhi	4,302	209	4.9	4,093	4,088	214	5.2	3,875	218	(5)
Madison	15,179	502	3.3	14,677	15,304	400	2.6	14,904	(227)	102
Teton	4,693	96	2.0	4,597	4,645	95	2.0	4,550	47	1
Annual Average 2005										
	CIVILIAN		%		CIVILIAN		%		Year Over Year Change in Emp Unemp	
	LABOR FORCE	UNEMP	UNEMP	TOTAL EMPLOY	LABOR FORCE	UNEMP	UNEMP	TOTAL EMPLOY	Emp	Unemp
STATE OF IDAHO	738,739	28,183	3.8	710,556	703,067	33,339	4.7	669,728	40,828	(5,156)
Bonneville	49,351	1,432	2.9	47,919	46,357	1,578	3.4	44,779	3,140	(146)
Butte	1,244	61	4.9	1,184	1,280	82	6.4	1,197	(14)	(22)
Clark	524	27	5.2	497	513	37	7.2	476	22	(10)
Custer	2,629	129	4.9	2,501	2,584	147	5.7	2,436	64	(19)
Fremont	6,234	244	3.9	5,989	5,933	274	4.6	5,659	330	(30)
Jefferson	10,692	338	3.2	10,354	10,063	375	3.7	9,688	666	(37)
Lemhi	4,121	237	5.7	3,884	3,983	270	6.8	3,712	172	(34)
Madison	15,145	360	2.4	14,785	14,120	385	2.7	13,735	1,050	(24)
Teton	4,455	123	2.8	4,332	4,182	122	2.9	4,060	272	1

SOURCE: Idaho Commerce & Labor, Research & Analysis and Public Affairs

e3 – A Continuing Dialogue ICL office, Idaho Falls Aug. 16, 2006

<u>Amy</u>	<u>Pancheri</u>	Butte County Joint School District !!!
<u>Lesa</u>	<u>Hong</u>	Idaho State University
<u>Tanya</u>	<u>Alban</u>	Idaho Commerce & Labor
<u>Sue</u>	<u>Arnold</u>	Idaho National Laboratory
<u>Tom</u>	<u>Hally</u>	Deane Hally Watercolors
<u>Maureen</u>	<u>Parks</u>	Eastern Idaho Tech Prep Consortium
<u>Jan</u>	<u>Nielsen</u>	Basic American Foods
<u>Merry</u>	<u>Logan</u>	ID Commerce & Labor/Salmon School District
<u>Chuck</u>	<u>Vogel</u>	Eastern Idaho Central Labor Council
Mary	Kirn	H & W Navigation
Scott	Cannon	Leg. 32A Dem.
Donna	Benfield	Rexburg Chamber
Terry	Butikofer	The Development Company
Dwight	Whittaker	Development Workshop
Barb	Dahl - Solinsky	H & W Navigation
Linda	Williams	R7 H &W
Mike	Dunbar	Melaleuca, Inc.
John	McGimpson	McG & Associates
Coleen	Erickson	Congressman Mike Simpson
Wade	Virgin	Idaho Commerce and Labor
Ken	Erickson	Eastern Idaho Technical College
Marge	Foster	School District 91 & 03
Craig	Ritcik	
Hank	Brown	Eastern Idaho Technical College
Ty	Jenkins	Docutech Corp