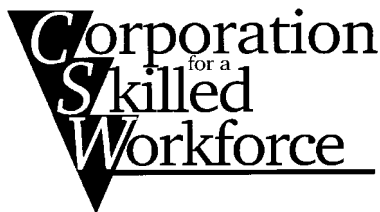


**South Western West Virginia Region 2
Workforce Investment Board
Strategic Plan**

July 1, 2002 – June 30, 2007

**Presented on
April 11, 2002**

Prepared by:



Introduction

The South Western West Virginia Region 2 Workforce Investment Board (WIB) is a regional planning body created to meet the workforce needs of Boone, Cabell, Lincoln, Logan, Mingo, Putnam and Wayne Counties and the City of Huntington. The WIB is pleased to present its first *Workforce Investment Strategic Plan*. The *Plan* is a regional tool providing quantitative and qualitative analysis of the region's labor market and workforce investment challenges. The *Plan* is the product of an intensive data gathering effort spearheaded by the WIB and supported by a collaboration of the Corporation for a Skilled Workforce and Marshall University's Center for Business and Economic Research. In addition to data collection using both existing resources and a comprehensive survey of employers in the region, stakeholder sessions were held in each of the counties to validate the data findings and to determine other workforce investment issues that need to be addressed. In total over 180 people participated in the stakeholder process providing a rich diversity of backgrounds and opinions. The final plan was greatly enriched by the stakeholder feedback.

The Strategic Planning Committee of the WIB guided this effort and will be responsible for follow through on the emerging issues and strategies to address them.

A full summary of the data findings is contained in the *State of the Workforce Report*, which is attached to the overall regional plan. Below are some highlights from the data and a discussion of the issues, challenges, and approaches that have emerged from the planning process.

Regional Overview

Population

The South Western Region's seven counties represent a tremendously diverse area and economy. The total population as recorded in the 2000 Census was 304,882. With the exception of Putnam County, which has grown by about 12% over the last ten years, most of the counties have either lost population or made only very small gains. Looking back twenty years, the region has lost nearly 30,000 residents.

Income

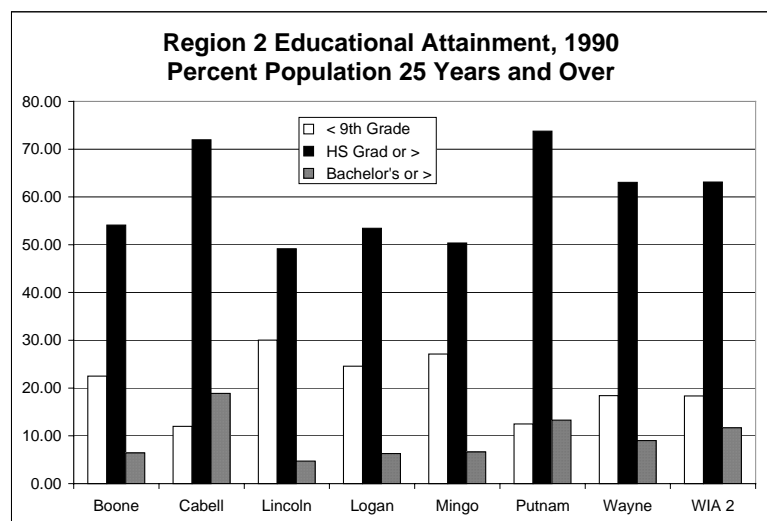
Per capita personal income in 1999 was \$20,921 for the State as a whole. This compares to a national level of \$28,546 for the same year putting West Virginia well below the national level on this indicator of economic well being. Within Region 2 there are large differences among the counties with only two counties, Cabell and Putnam, above the State level (both at about \$23,700). The other counties range from \$19,843 in Boone to a low of \$14,261 in Lincoln, with Wayne at about \$16,000 and both Logan and Mingo around \$17,200. Most of the region has a lower per capita income than the state and all of the region is far below the nation overall.

Poverty rates in the region (with the exception of Putnam which is well below the state and national average) are higher than the national poverty rates meaning a higher percentage of Region 2 residents live in poverty than is the case in the nation as a whole.

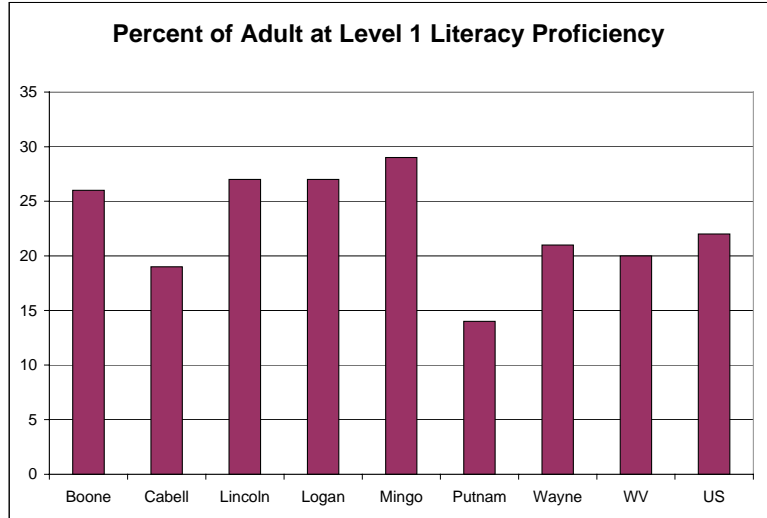
A significant portion of the income in the region is derived from transfer payments (Social Security, disability payment, retirement payments, etc). Putnam is the only county where this is not the case. Wayne County comes close to the national rate, while all other counties are well above the national level.

Education Levels

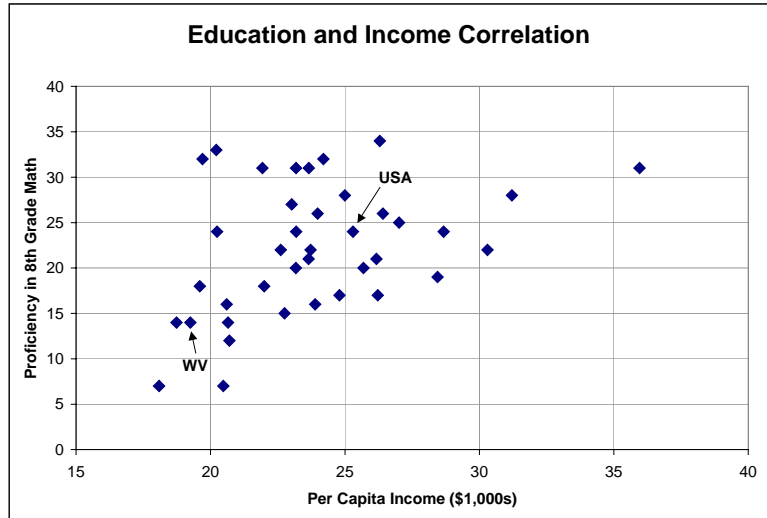
Education levels in the region, as reflected in the 1990 census data (the most recent available), show high percentages of adults over 25 years of age who completed less than the 9th grade, lower than the national average for those completing high school and lower than national averages for those attaining post-secondary education degrees. Further, there



are several counties where there is a high incidence of adults who have the lowest levels of literacy skills (Level 1 indicating difficulty locating information on a map, reading newspaper articles, and calculating costs on an order form). With the exceptions of Cabell and Putnam, all counties are about five percentage points or more above the nation in the percent of adults with only basic literacy skills.



Education issues are extremely important to the region’s economic vitality since education and income are integrally linked. There is a verified correlation between how well an area does in educational attainment and the income of the region. The accompanying chart displays the relationship between test scores for eight grade students and per capita income. This data from 1997 shows that there is a clear correlation between education and earnings and highlights the critical need to raise the education levels within the region to realize greater wealth.



Labor Force Participation

Labor force participation rates are comparatively low in all the counties (with the exception of Putnam whose rate is quite high at 84%) when compared to the State as a whole. In some cases labor force participations rates (among individuals of working age, the percentage of those who are either employed or actively seeking work) are substantially lower than the State average. Mingo County is at 35%, Logan and Boone 41%, and Lincoln 44%. This indicates that, while the population may not be growing, there is potential for increasing the labor pool by drawing on those who are currently not in the labor force.

Unemployment

Unemployment rates have improved significantly over the past decade (1990 to 2000) and even more so in recent years. The rates range from a high (for January 2002) in Lincoln County of 10.8% to a low of 4.8% in Putnam County. The other counties in the region come closer to the low rate in Putnam ranging from 6.8% in Wayne to 5.2% in Logan. This reflects the stability in the region derived from the high rate of transfer payments and the fact that the recession and the events of September 11th have had little impact in the State overall.

Employment Sectors

In the region overall, the largest employment sector is services, accounting for 26% of the workforce. Retail trade comes in second place at 20%. Government is third at 17% and manufacturing is a distant fourth at 10%. The differences among the counties are significant with mining being the largest employment sector in Boone and Mingo Counties. Government is the largest employment sector in Lincoln and Wayne.

The full data picture is contained in the *State of the Workforce Report*.

Survey Findings

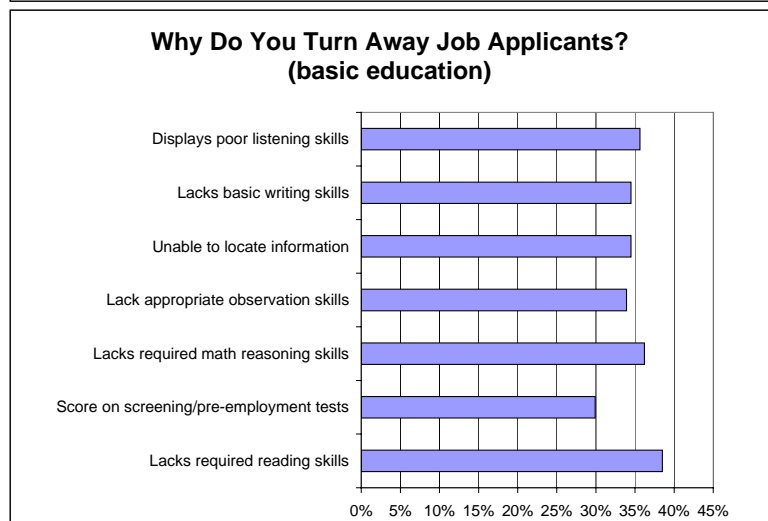
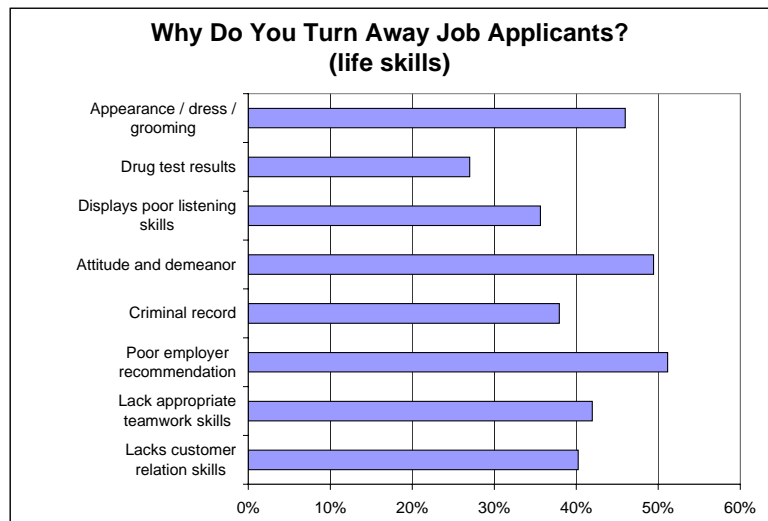
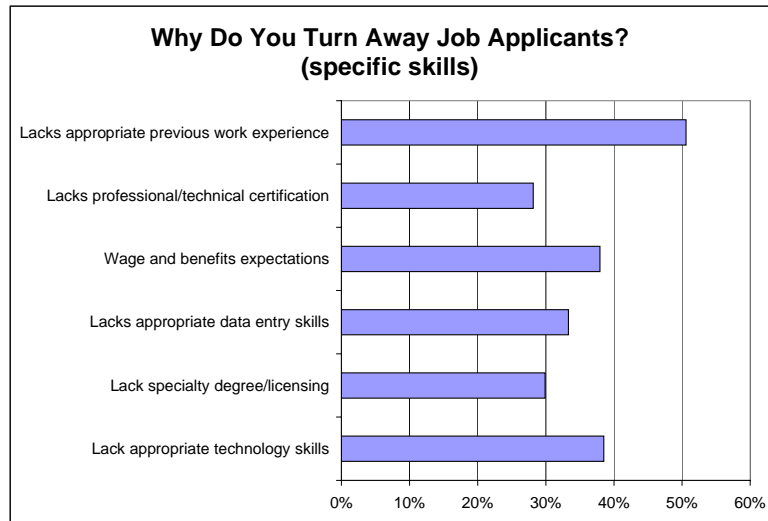
Background

Marshall University’s Center for Business and Economic Research conducted surveys covering nearly 400 businesses within the region as part of their *State of the Workforce Report* development. The survey results provide a good picture of the employment and skill needs of employers in the region.

The survey findings indicate employers in the region are generally satisfied with the preparedness of their employees to do their jobs and that generally there is a pool of qualified employees from which to draw.

Skills Overview

On average Region 2 employers interview four applicants for every job filled. The reasons why applicants are turned away are compelling indicators of the some of the skill deficiencies that exist within the region’s workforce. In the basic education sector, employers cited poor listening skills, poor writing skills, poor observation skills, poor math reasoning skills, poor reading skills, and the inability to locate information as major factors in not selecting candidates. Basic work readiness skills also were cited when employers were queried about life skill reasons for turning down applicants.



Deficiencies in appearance, listening skills, attitude, teamwork, and customer relation skills were all high level factors for rejecting candidates. The accompanying charts indicate the reasons why employers rejected applicants in the three areas of occupational skills, life skills, and basic skills.

County Level Forums

Overview

The regional workforce overview was presented to the WIB, legislators, and other invited guests on January 17, 2002. A Region 2 State of the Workforce presentation was delivered which covered the general trends listed above and elaborated on in the full *State of the Workforce Report*. Key to the presentation was the link between education and good paying jobs with the clear conclusion that there must be a prepared workforce in order to attract employers who have high-skill, high-wage jobs. Productivity increases come from worker preparation and education. Unless there is a change in the educational preparedness of the workforce, there can no appreciable increase in good jobs and thus no increase in wealth in the region.

Following the regional overview, there were seven county level input sessions allowing stakeholders to react to the regional data and also to react to county specific data. These county level sessions were held the week of January 22nd. They began the process of refining the data into issues.

Issues Raised at County Level Forums

The forums elicited a variety of comments and recommendations. These are summarized below in a relatively unrefined fashion. They represent the first step in beginning to draw conclusions about what key themes and actions are needed.

Education Related Themes

- Need to do a better job at all levels (high school and lower grades) of preparing youth for the world of work.
- Need for better connections between business and education with regard to: business input on curriculum; contributions to training equipment; strengthening apprenticeship and mentoring programs; retaining educated youth in the area; and more specific vocational training related to growing demand jobs.
- Need to prepare youth for specific jobs of the future e.g. health care occupations, technician level training.
- There is no accessible four year college in the Southern WV area.
- Need for an awareness raising campaign on the value of education and the link to better paying jobs (mentioned in several counties in different ways but a fairly consistent theme).
- Credentialing for the job market both at the basic skill level and the specific occupational level are important (WorkKeys was referenced as a good specific tool.)

Cultural Issues

- Self-esteem is low among many who could be in the labor force. Efforts should be directed at: raising self-esteem, including focus on basic needs such as clothing and dental care; low family expectations that don't include higher education as a goal; and varying expectations based on gender.
- Work ethic – in two counties a high work ethic among the population was cited as a positive, while in two other counties, low work ethic in the population was cited as a negative.
- Welfare cycles were identified as barriers to people joining the workforce, including the large jump in earnings needed to be independent of welfare, the limited benefits and pay for those coming off welfare, and the general welfare reliance in some families across generations.
- Speaking skills were identified in two counties as critical needs for workforce preparedness.

Infrastructure Issues

- The main infrastructure impediment to growth and workforce development mentioned was the lack of adequate roads (five sessions).
- Other infrastructure issues included lack of power and water.
- In selected areas, there was a need stated to set aside space for business to locate and to take advantage of current land use laws.
- Public transportation is limited and not connected to where jobs are in some areas.

Small Business Emphasis

- This theme was present in just about all sessions. It recognizes that the region as a whole is made up of predominantly small businesses with 10 or less employees, many are in the four or less range.
- Entrepreneurial training was mentioned as a need in six sessions. Most growth will be small businesses. People need help in starting their own operations. They need help in filling out the necessary forms to create a new business and they need help in financial and business planning.
- Business incubator centers were also a frequent topic; providing space for small businesses to get a start with support and technical assistance.
- Grouping existing small businesses to identify their needs and to address their unique problems came through as an issue. Creating industry clusters around small businesses with similar interests was seen as possible aid.
- Increase in coal mining has positive impact on spin-off businesses that should be supported.

Career Development

- Creating workforce development programs that emphasize career ladders and the opportunity to move up and acquire new skills and thus higher pay was a fairly consistent theme.
- Focus on incumbent worker training needs appeared in a few sessions.
- Connecting Economic Development and Workforce Development was mentioned in a three sessions. Linking the two to ensure new businesses have an adequate workforce was a key concern.
- Focusing on diversifying the local economy and bringing in employers with better paying jobs was also a theme. Simply having more employers in an area came through in a few sessions.
- Inter-county cooperation was cited as a need in two sessions.

Recommendations to the State

- Create a friendlier business climate; make it easier to start a small business (less forms); worker's compensation reform, ease restrictive tax policies.

Social Issues

- Childcare needs and the expense of childcare surfaced in two sessions; the need for parenting skills was mentioned in one.

Region 2 WIB Strategic Policy Direction

The numerous products developed as a part of the Region 2 strategic planning process point to a multitude of workforce investment issues that could be addressed. Each of the indicators of economic viability could be isolated for specific action. The WIB has chosen to move to the highest level and work down. That is, the WIB has selected one critical, unifying issue that appears to bridge many others and, if addressed, will improve the competitiveness of the region. It is clear to the WIB that education levels must be improved for the region to be more competitive. Productivity is integrally linked to the education level of the workforce. Increasing productivity for current employers and, more critically, being able to attract employers with higher productivity demands and thus higher wage scales is fundamental to increasing wealth within the region. Education issues were a unifying theme in almost all of the county sessions (Putnam County did not reflect this issue but it appeared in the data from all six other sessions). Addressing this key issue will be the WIB's policy direction for the next several years with increasing expectations for results as a byproduct of the WIB's intervention.

The WIB recognizes that there is no easy way to increase education levels. This is a complex issue that has its roots in very early childhood development and becomes increasing more difficult to "fix" as children mature. Thus, it is even more difficult to address fully with the adult population. Nonetheless, it is critical to the future of the Region and the WIB is ready to begin a long-term strategy to improve the education levels of the region's workforce.

Strategic Goal

The Region 2 WIB's longstanding mission is: "To forecast, fulfill and monitor the education and skill needs of employers and individuals in order to meet the needs of both sets of customers." Within this mission statement is an assumption that the primary customer is business. The strategic planning process undertaken by the WIB is moving it to better address its mission. The environmental scan, employer surveys and community input sessions drive toward meeting that part of the mission of forecasting education and skill needs. The next steps are to begin action steps to address the needs identified and then to monitor progress. The WIB recognizes that strategic planning is a long-term investment. The action steps outlined below are merely a beginning, however, demonstrating success in the short-run is crucial to establishing the WIB's credibility in the community and gaining momentum and support for the bigger steps to follow. Nonetheless, the WIB is looking to the future and has adopted a broad-based goal that reflects the findings of the work completed thus far and is integrally linked to the economic vitality of the region. The goal is: To raise the education and skill levels of all segments of the workforce (those in school, those in the current labor pool, and those recently retired from the labor force who could be brought back).

The WIB will address this goal by: Engaging all components of the workforce investment system (all public and private investments that meet the workforce needs of business and help individuals prepare for and find self-sustaining work) in working together to raise education and skill levels.

Emphasis Areas that Support Goal Attainment

There are four key areas for action that will help the WIB attain its goal. These areas will be managed and monitored by the Strategic Planning Committee of the WIB with periodic feedback on progress to the full board. Each area is very broad in and of itself. Recognizing the fact that the WIB is still a relatively new player in the broad policy arena, the expected outcomes for the first years are modest. They are intentionally so to ensure success and gather momentum for future activities. In spite of the perceived limited nature of the initial outcomes, they represent a far more significant investment of staff resources and funding in strategic issues than has been the case in the past. This is the beginning of a deliberate move to focus more attention on strategic issues. Each of the four areas for emphasis is discussed below with the accompanying short-term objectives.

Improving Education System Outcomes

It is clear that developing a better-prepared workforce starts in the schools and starts very early in the education process. There is a compelling need to alter the mindset of students so that they see the benefits of educational attainment and the link between more education and higher wages. The connection to success in school and success in business must be firmly established.

There is a great deal of attention being paid to education issues across the State in terms of raising standards and achievement on tests. There is also a great deal of emphasis on bringing technology into the classroom. In the longer-term the WIB will connect with these larger efforts. The Board's starting point is the establishment of a Speakers Bureau that will enlist business representatives to go into schools and other arenas such as community-based organizations and parent associations to stress the connection between education and income and to relate the needs of business to students and educators. The focus will initially be on the elementary and middle school levels. The following are the deliverables for the first year. While they may appear modest, they will take substantial staff time and resources to make them happen.

Short-term Objectives

- ◆ Completing an inventory of similar efforts currently underway.
- ◆ Connecting to those relevant efforts.
- ◆ Developing materials for distribution.
- ◆ Establish a work plan based on a target of a certain percentage of the schools to be visited in the year (covering the entire region).

Increasing Economic Development/Workforce Development Collaboration

Economic development focuses on creating new and better job opportunities in the region by attracting new businesses to locate here and by attending to the needs of current employers. Since the number one concern of businesses in today's economy in selecting a site for a new location is the quality of the workforce, workforce development and economic development must be closely linked. Informing businesses of the workforce potential and linking them with the available labor pool as well as creating custom training opportunities that reflect the discreet needs of each business is the core work of the WIB. It is also part of the economic developer's arsenal when aiming for new businesses to come to the region. Highlighting the work of the Workforce Career Development Centers must be a part of the economic development strategy. These centers will focus on upgrading the education levels and basic skills of the current workforce using the Work Keys methodology. This approach is well known to most large businesses and should be a major draw in attracting high-wage employers to the area.

Short-term Objectives

- ◆ Share the workforce needs/survey results with economic development agencies. Put the information on the WIB website and link it to other economic development websites.
- ◆ Support business incubator projects. Set a target for a number of incubators to be supported and measure the success of participants.
- ◆ Provide entrepreneurial training at the Community Workforce Development Centers. Set targets for numbers to be enrolled and numbers of small businesses supported that are still operating at the end of a given period.
- ◆ Encourage establishment of one new industry cluster by the end of the year. The target will be for the cluster to identify one common workforce development need. The cluster can be supported by another entity that the WIB enlists to support its efforts.

Reducing Cultural Barriers that Impede Labor Force Participation

Cultural barriers to workforce participation exist in many forms and shapes in Region 2. They vary by geographic area but clearly exist in some form in all parts of the region. This was a fairly consistent theme in the county level sessions, with several of the more rural counties identifying very weak work ethics as barriers to employment. Diversity issues surfaced in the Huntington discussions.

First year efforts to address this issue will use the Education Speakers Bureau and the same goals will apply with the addition of including area appropriate messages into the Speakers Bureau toolkit.

Short-term Objectives

Same as Education objectives.

Creating Career Ladders for Incumbent Workers

Career ladders are important workforce development tools to help incumbent workers get the right training so that they can move out of low-pay low-skill jobs. There are several programs available now to help companies and workers make such moves. There is not a perceived need to develop career ladders per se but to encourage use of existing resources so that companies and individuals can take advantage of the opportunities that already exist. Thus this sub-goal becomes one of marketing the existing opportunities. Success will be measured by increases in the number of companies using the existing services. A baseline must be set and should include funding streams beyond the WIB monies. This in itself will likely be a support to the economic development connection.

Short-term Objectives

- ◆ Catalogue existing efforts that are addressed at meeting employer training needs through employer directed training.
- ◆ Establish a baseline of what level of activity is underway today.
- ◆ Target a reasonable percentage increase in use of the existing programs to be measured at the end of the year and reported to the WIB.

Sustaining the Strategic Planning Effort

This plan represents a very first step for the WIB in tackling issues beyond WIA oversight. The goals are appropriately modest yet will require additional resources to carry them out and new systems to track and report progress. In addition the WIB will begin to look at more comprehensive goals for the following years and will set targets that extend over a multi-year period. The WIB will charge the Strategic Planning Committee with this responsibility and will expect a plan of action to be delivered to the WIB by September 30, 2002.

The Strategic Planning Committee will need the support of the full board by adding additional members and by devoting sufficient staff resources to complete the tasks.