



WORKFORCE
SOLUTIONS **Capital Area**

Connecting People to Jobs

CAN Board Discussion: Bridging the Economic Divide Through Workforce Development

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April 8, 2016

Austin MSA Economy (February 2016)

- 3.1% unemployment in the Austin-Round Rock MSA
- 4.2% annual job growth last 12 months
- 39,800 new jobs over last 12 months
- Employers with 500+ employees (38.1%); 250-499 (10.0%); 100-249 (14.3%); <100 (37.6%)



Increasing Costs of Living, Growing Economic Disparity Due to Skills Gap

Increasing Cost of Living

January 2016 Market Report, Austin Board of Realtors:

- Median sale price January 2016: \$254,999, increase of 6.3% compared to January 2015
- Average sale price January 2016: \$322,620, increase of 3.8% compared to January 2015
- Median sale price in the U.S.: \$213,800, increase of 8.2% from January 2015

Real Estate Business Online, January 2016:

- Average rents in Austin can vary from \$1,000/month for studio apartments to more than \$3,000/month for a 3-bedroom unit

We Must Grow Skills to Grow Wages

Travis County Median Earnings (U.S. Census Bureau, 2014 estimates):

- Individuals with less than a high school diploma – high school diploma/GED earn between \$19,762 - \$25,661, while those with some college or an associate's degree earn \$33,032.
 - For an individual with less than a high school degree earning an annual wage of \$19,762, even a \$1,000 monthly rent for a studio apartment is 61% of the person's \$1,647 monthly income.
- Those with a bachelor's degree earn a median wage of \$50,523.

Unemployment

- **As of December 2015, more than 90% of the individuals in Travis County who received unemployment insurance (UI) had less than a bachelor's degree:**
 - 43.8% had a high school degree/GED or less education,
 - 24.4% had some college education but no degree,
 - 23.4% had associate's degrees, and
 - 8.5% had bachelor's degrees and higher.
- Many of those receiving UI benefits had previously worked in low- to mid-skill occupations such as Office & Administrative Support (14.5%) and Sales (12.6%).

Underemployment

Classifications of the Underemployed:

- **Marginally Attached Workers** - Not in the labor force but want/are available for work, & have looked for a job in the prior 12 months (or since the end of their last job if they held one within the past 12 months). Not counted as unemployed because they had not searched for work in the 4 weeks preceding the survey.
 - **Discouraged Workers** - A subset of marginally attached workers, not currently looking because they believe there are no jobs available or there are none for which they would qualify.
- **Part-time for Economic Reasons** (aka “Involuntary Part-time Workers”) – Persons who would like to work full-time but were working part-time (1-34 hours) because of an economic reason (such as their hours were cut back) or they were unable to find full-time jobs.

Bureau of Labor Statistics 3/10/16, TWC February 2016 LMI Data

As of February 2016, an estimated 30,816 individuals – 2.8% of the MSA’s civilian labor force - were underemployed:

- 3,101 were discouraged workers (subset of marginally attached workers),
- 3,849 were all other marginally attached workers, and
- 23,866 worked part-time for economic reasons

As of February 2016, an estimated 18,330 individuals – 2.7% of Travis County’s civilian labor force - were underemployed:

- 1,838 were discouraged workers (subset of marginally attached workers),
- 2,291 were all other marginally attached workers, and
- 14,201 worked part-time for economic reasons



Workforce Solutions

- The Workforce Solutions Capital Area Workforce Board (“Board”) serves as the **leadership and governing body for the Austin/Travis County workforce system.**
- The Board was **established in 1996**, in accordance with the Federal Workforce Investment Act of 1998 and the Texas Workforce and Economic Competitiveness Act (HB 1863 and SB632). The Board is organized as a **non-profit** corporation in the State of Texas, with tax-exempt status under IRS code 501(c)(3).

Policy + Planning + Evaluation + Oversight



Mutually Reinforcing Activities

We used to think of our work as a series of programs.

Now we see an interconnected, interdependent cross-sector system.

Active engagement = the larger workforce system “pie” that can be influenced through shared goals



Sphere of control = the “piece” of the system that Workforce Solutions directly funds



**Pie piece not to scale.*

Direct Investments in Local Talent



Early Childhood Development:

0-5 year olds

Subsidized Child Care
Quality activities



Youth Development:

16-24 year olds

Education and job
training services



Adult Workforce Development:

18+ year olds

Job training and
employment assistance

Expert staff counselors; support services; Two-Generation Approach

System Development Work



Early Childhood Development:

0-5 year olds

School Readiness
Action Plan



Youth Development:

16-24 year olds

Austin Opportunity
Youth Collaborative



Adult Workforce Development:

18+ year olds

75x20 Goal

Trend toward data-driven analysis that drives investments

What else can be done?

- Adopt a Master Workforce Development Community Plan
- Adopt Sector-Based Career Pathways approaches to talent development, whereby employers' needs truly drive training program design
- Recognize the value of a Two-Generation approach to service delivery