



The Changing Landscape
Minnesota Workforce Council Association
Annual Summer Meeting
July 30, 2014

Jobs & Unemployment Rates

- Minnesota gained 53,780 jobs over the year in **June**, up 1.9% from one year ago. This matches the U.S. annual growth rate.
- Annual jobs growth occurred in 9 out of the 11 major industry sectors in June. Professional & Business Services +12,450, Education & Health Services, +11,150, Manufacturing, +8,420, and Construction, +8,360.
- Financial Activities, down 1,890, and Other Services, down 1,850, were the only sectors that lost jobs over the year.
- Overall, private firms in Minnesota added 45,880 jobs over the year, a growth rate of 1.9 percent. Nationally, private firms grew 2.2 percent over the year.

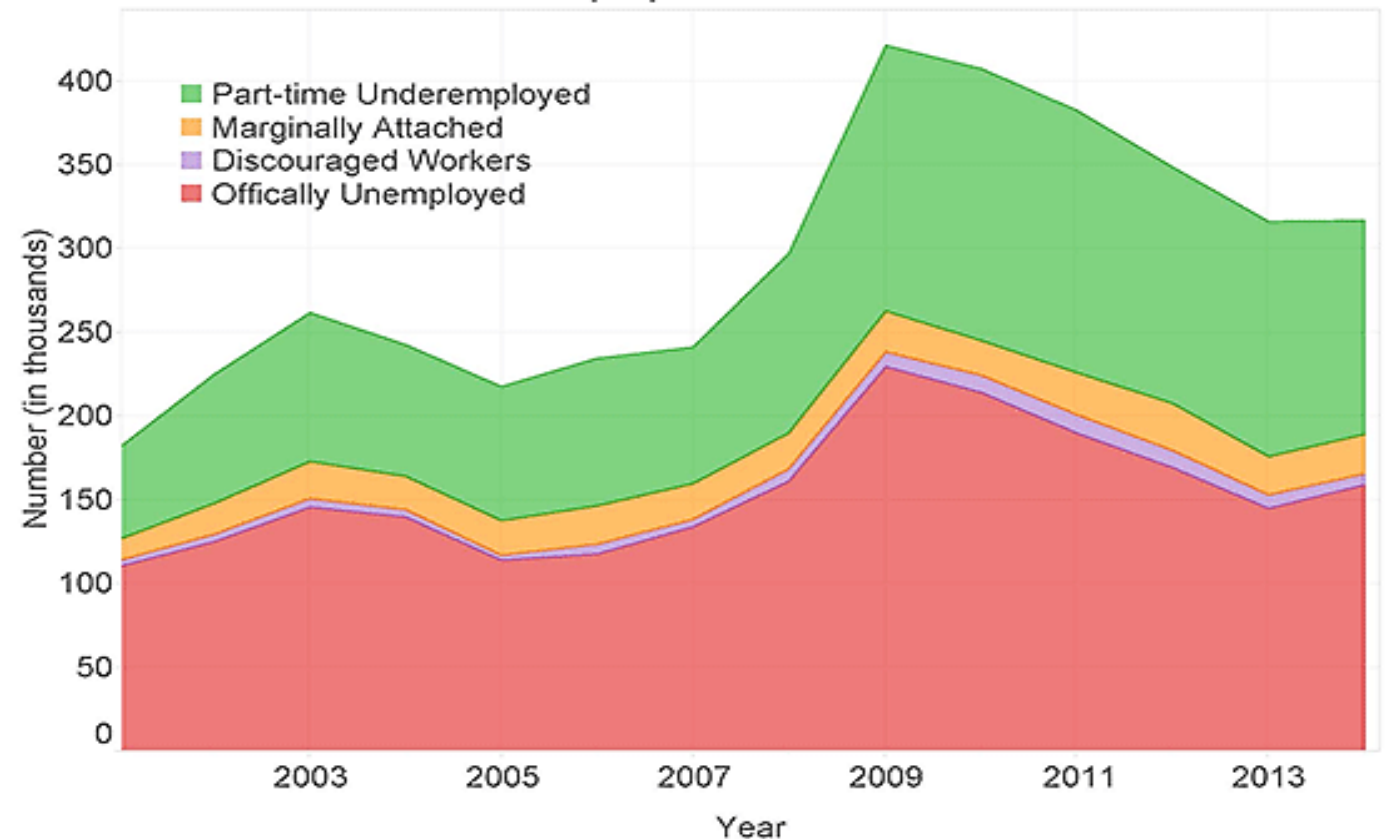
	June 2014	May 2014	June 2013
Minnesota			
Seasonally Adjusted	4.5%	4.6%	5.1%
Not Seasonally Adjusted	4.6%	4.2%	5.2%
United States			
Seasonally Adjusted	6.1%	6.3%	7.6%
Not Seasonally Adjusted	6.3%	6.1%	7.8%
Minnesota Long-Term Unemployed			
During the 12 month period ending March 31st 55,868 people exhausted UI benefits			

Minnesota Alternative Measures of Unemployment

Part-Time Underemployed: are people who are employed part-time but want full-time work.

Marginally Attached Workers: were not in the labor force but have looked for work in the prior 12 months.

Discouraged Workers: are not currently looking for work because they believe no jobs are available.



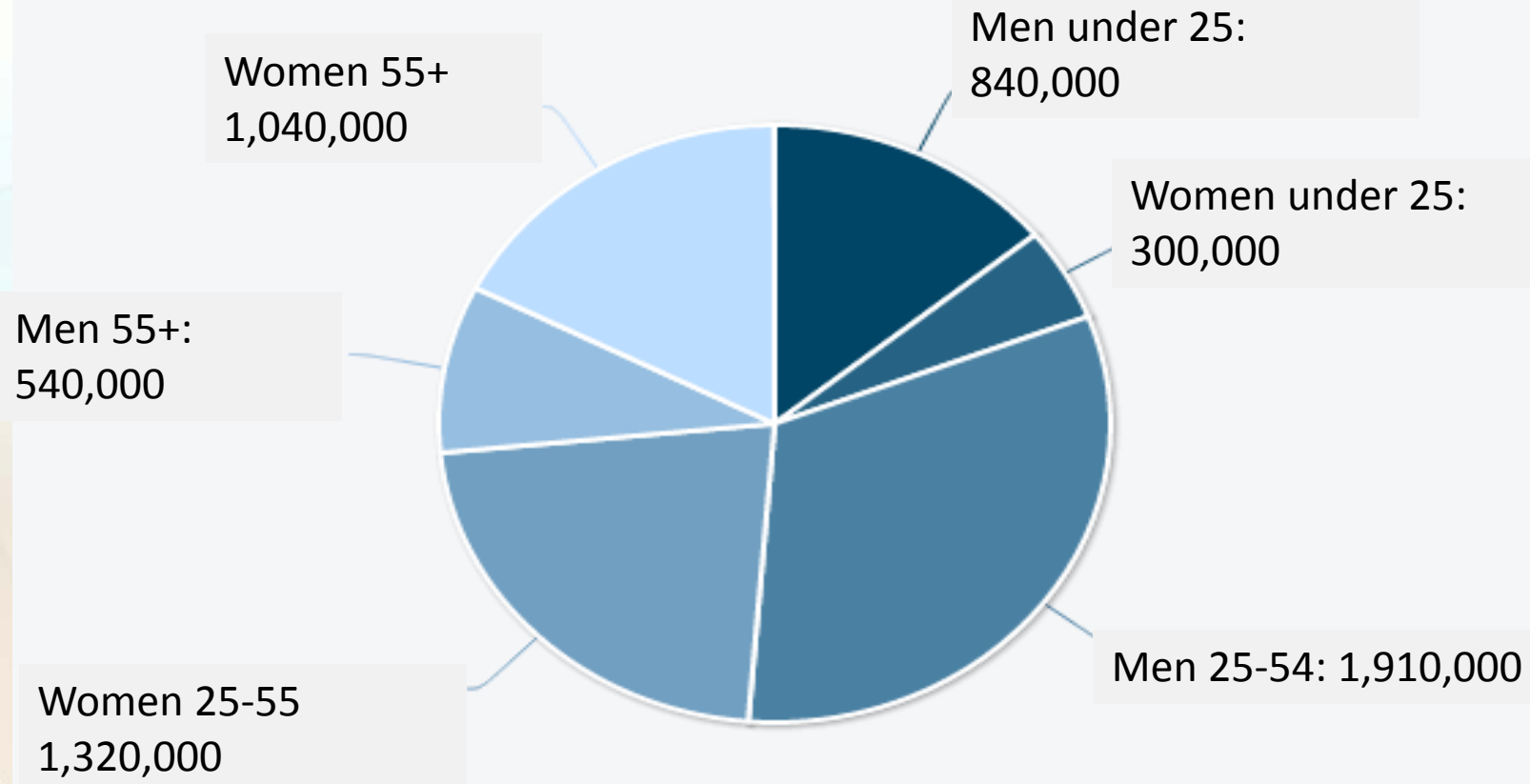
Source: Minnesota DEED, Labor Market Information Office, Current Population Survey

State of Long-Term Unemployment

- In June the average duration of unemployment was **31.4 weeks**.
- The number of long-term unemployed (those jobless for 27 weeks or more) was **3.1 million** in June.
- More than **2 million** have been out of work for more than 52 weeks.
- The civilian labor force participation rate was **62.8%** for the third consecutive month.
- The U-6 alternative measure of unemployment was **12.1%**
 - Total unemployed, plus all persons marginally attached to the labor force, plus total employed part-time for economic reasons, as a percent of the labor force.

There Are Approximately 6 Million “Missing Workers” According To An Analysis by The Economic Policy Institute

Missing workers, by age and gender, May 2014*

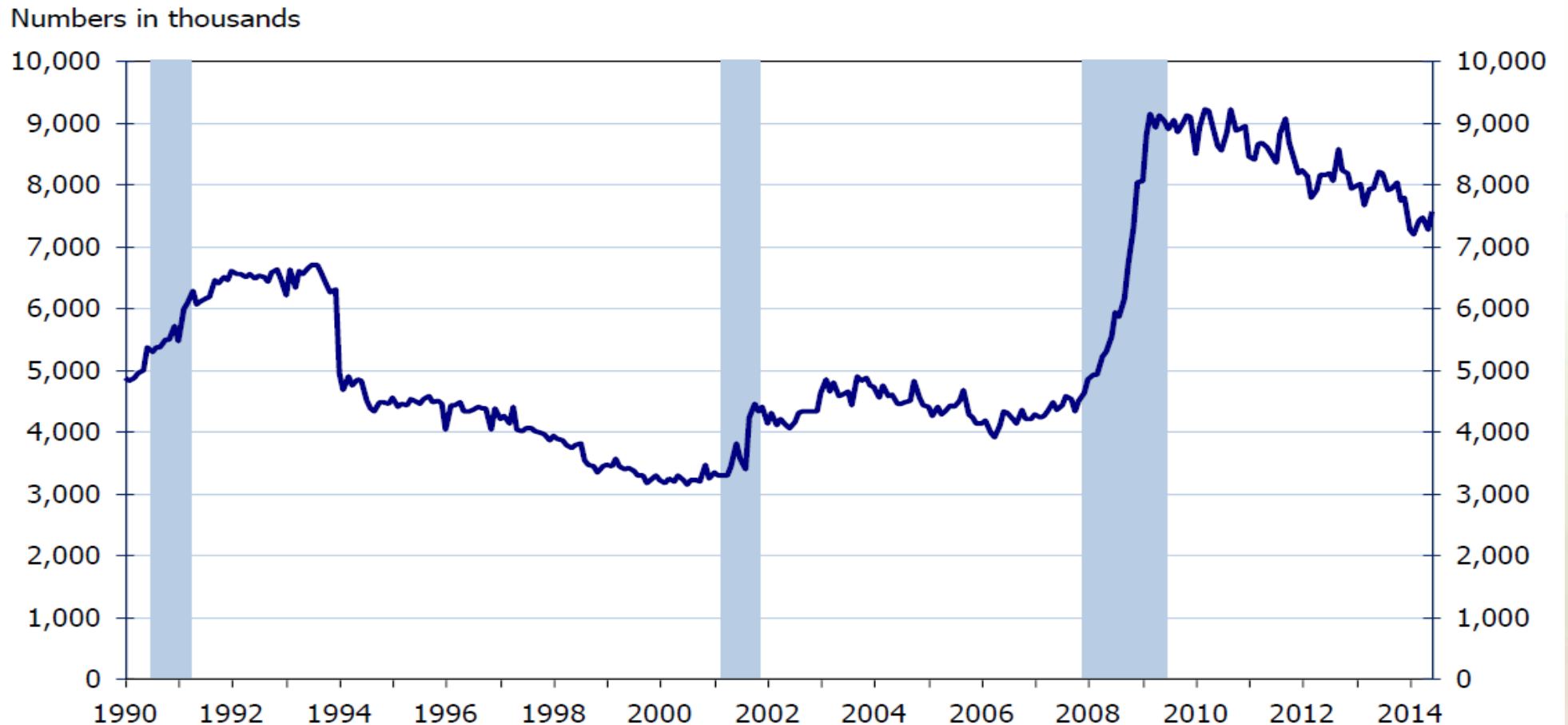


* Potential workers who, due to weak job opportunities, are neither employed nor actively seeking work

Source: EPI analysis of Mitra Toossi, "Labor Force Projections to 2016: More Workers in Their Golden Years," Bureau of Labor Statistics *Monthly Labor Review*, November 2007; and Current Population Survey public data series

- Nearly $\frac{3}{4}$ of missing workers are age 54 or younger, which means they are unlikely to be early retirees.
- That leaves 4.4 million missing workers age 54 or younger who would be likely to re-enter the labor force when job opportunities strengthen.
- Weak labor force participation rate remains a key component of total slack in the labor market.

Employed Part-Time For Economic Reasons



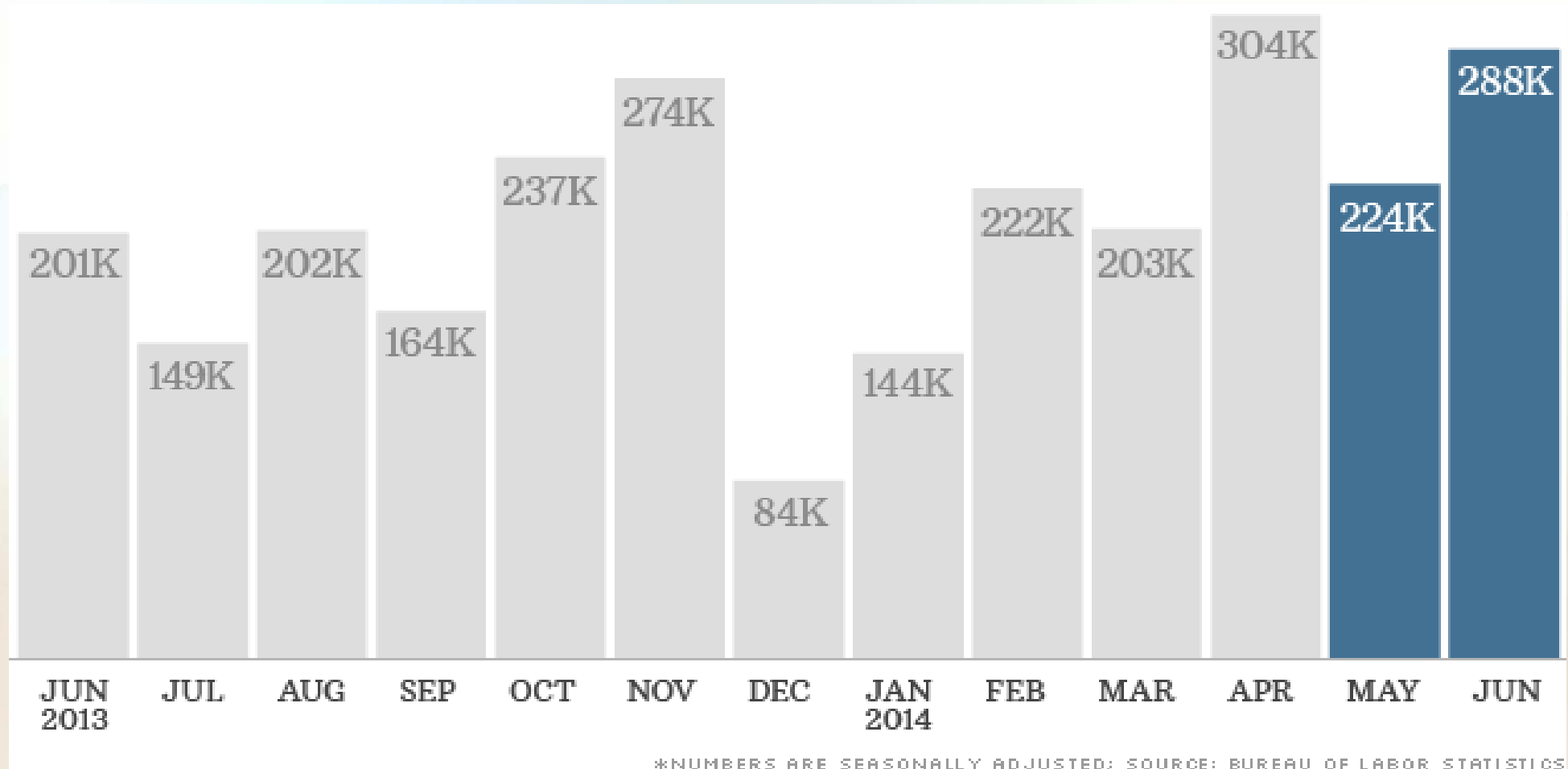
Note: Shaded areas represent recessions as determined by the National Bureau of Economic Research (NBER). Beginning in 1994, data reflect the introduction of a major redesign of the Current Population Survey. Data online at <http://data.bls.gov/timeseries/LNS12032194>.

Source: Bureau of Labor Statistics, Current Population Survey, July 3, 2014.

Addressing Post-Recession Workforce Challenges

- The recession is over and official data supports continued modest growth.
- The recession has led to structural changes in employment.
 - Basic principles & values to achieve success have changed.
 - Undeniable value in turning to part-time workers to respond to demand.
 - Staffing agencies are no longer solely focused on temporary, low skilled assignments.
 - Collectively, staffing and part-time assignments have become viable & desirable tools for business success.
 - The great divide between “haves” and “have not's” continues to grow.
 - We are in a **“Buyers Market”**. Employers face significant challenges to keep labor cost low while increasing productivity.

We Are Better Off Than A Year Ago The Unemployment Rate Fell To 6.1%



However, the number of people in part-time jobs jumped by more than 1 million in June to 27 million

President Obama Is Helping Ensure This Population Is Not Forgotten

- White House hosted summit on long-term unemployment in January.
- Outlined new efforts to assist the long-term unemployed, including the Labor Department's Ready-to-Work grant initiative.
- Elevated the conversation to focus on standard tools and remedies.



Addressing Post-Recession Workforce Challenges

- We are in a “**Buyers Market**”. Employers face significant challenges to keep labor cost low while increasing productivity. Cautious employers will hire temps first and leverage “just-in-time” employment practices.
- Nationally almost half the jobs created in the recovery have come in relatively low-wage sectors including retail, leisure and hospitality, temporary workers.
- Addressing an individual's **ability to compete** when opportunity presents itself is the centerpiece of the American Job Centers.

Our Experience Has Taught Us The Following

- Long term unemployment shatters a workers confidence, rendering them unable to complete for employment.
- There is a call to establish a new standard of “Comprehensive” service in the One Stops which address the need for emotional support.
- We have entered a new world with higher standards to meet employer demand for skilled labor.
- Eliminating employer risk in hiring decisions is the key.

Platform to Employment[®]

»» A WorkPlace Opportunity.

- The WorkPlace developed Platform to Employment (P2E) to address the need for the long term unemployed to return to work and the employer need to recruit skilled workers.
- The program is a public-private partnership giving businesses a risk-free opportunity to evaluate and consider hiring participants during an eight-week work experience program.
- P2E offers individuals a five-week preparatory program, including skills assessment, career readiness workshops, employee assistance programs, coaching and more.
- Upon program completion, P2E matches participants with open positions at local companies. Placements are made on a trial basis, paid for by P2E. The expectation is that if the company is satisfied with the performance of the candidate, a full-time job will ensue.

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Coaching & Facilitation of Job Seeker Workshops: Career Team

This economy is forcing all job seekers to regularly reinvent themselves.

- Participants implement 21st Century thinking about their job search to engage with employers.
- Learn to work smart, remain flexible and consider careers in new industries.
- Explore tactics to sell themselves, their success, knowledge, brand and most importantly the benefits they can deliver to employers.
- Participants learn to conquer their limiting beliefs and the power of affirmations

“P2E has profoundly changed me. My determination to persevere and explore every option, is bearing fruit. Only through yours, Joe's, Tanya's, our class cohort, workshop leaders, and political reps, have I found my way back to motivated empowerment. Thank you just doesn't cover it, Mike. Am deeply grateful and blessed by the power of the support offered me via P2E.” Reenie Quinlan

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BEHAVIORAL
HEALTH CONSULTANTS, LLC

Employee Assistance Services & Family Supports

In order to enhance the effectiveness of the P2E program, we provide an Employee Assistance Program to participants and their immediate families.

- The program includes an initial, individual work readiness evaluation and 5 visits with a licensed mental health professional.
- Participants can receive referrals to ongoing treatment and have the opportunity to learn skills to manage their stress.
- You may be surprised how much a little talk can help. Just about anything can affect the way people approach their job search
 - Areas addressed include stress, parenting problems, relationship challenges, depression, substance use, basic financial worries and home foreclosure.

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Risk-free, Work Experience Program. Responds to paradigm change = Buyers Market

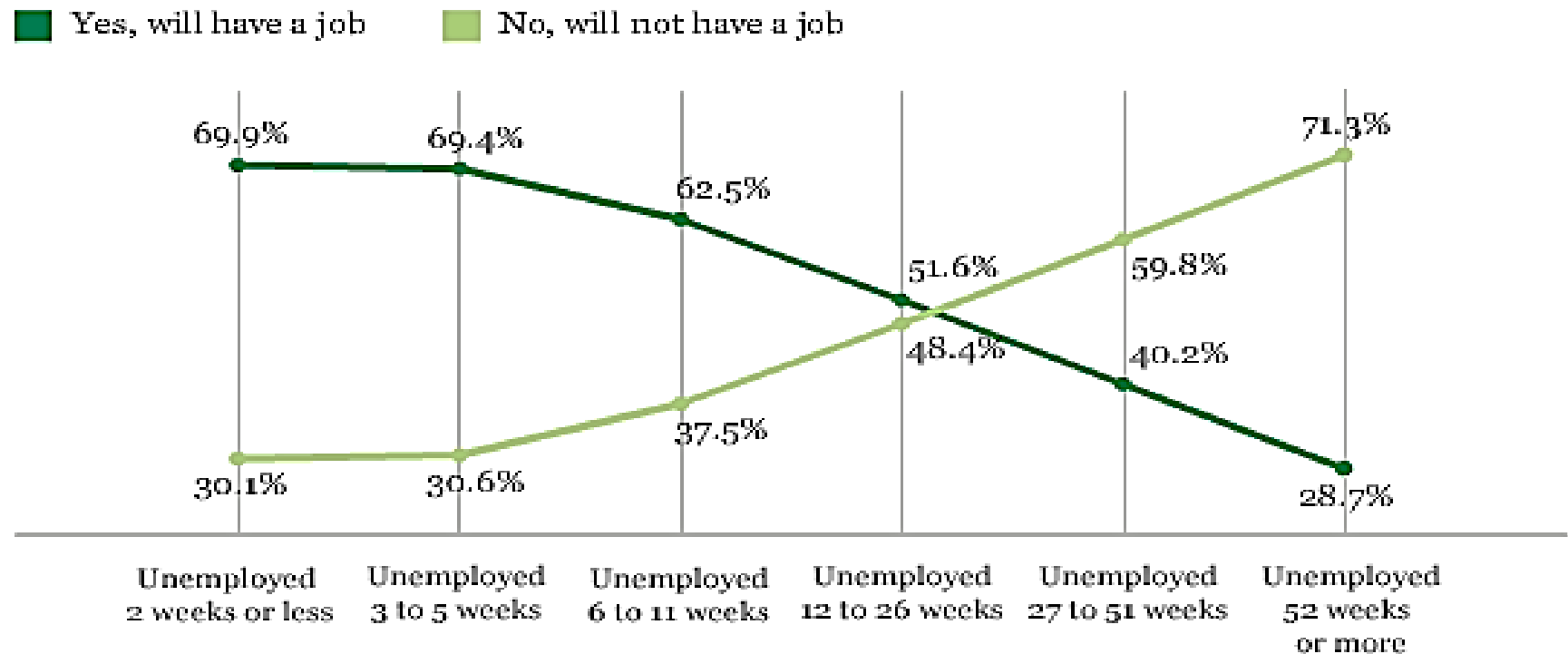
- Subsidized Employment Opportunities Provides Short Term Employment (8-weeks)
First 4 wks subsidized ... next 4 wks match
- Workers are on the payroll of The WorkPlace!
- Employers can walk away at any point

“I would NEVER have hired Tina without it (P2E) but because of the partnership with you guys and the extra training you provided along with subsidizing her pay during the learning process made me willing to take the risk. And, it was a risk. She had NO knowledge of basic Windows software, she lacked confidence and her work history was very specialized and essentially irrelevant to what she would be doing for us.

However, she was honest, willing to work, her references touted her integrity and the fact that once she learned something she was very accurate all led me to believe that she might have the potential to be retrained. This program works and I am grateful it is available to those who need it in our area.” Kathy Saint, President, Schwerdtle Inc.

Do you think that in the next four weeks you will have a job?

After 27 weeks of unemployment, more job seekers are pessimistic.

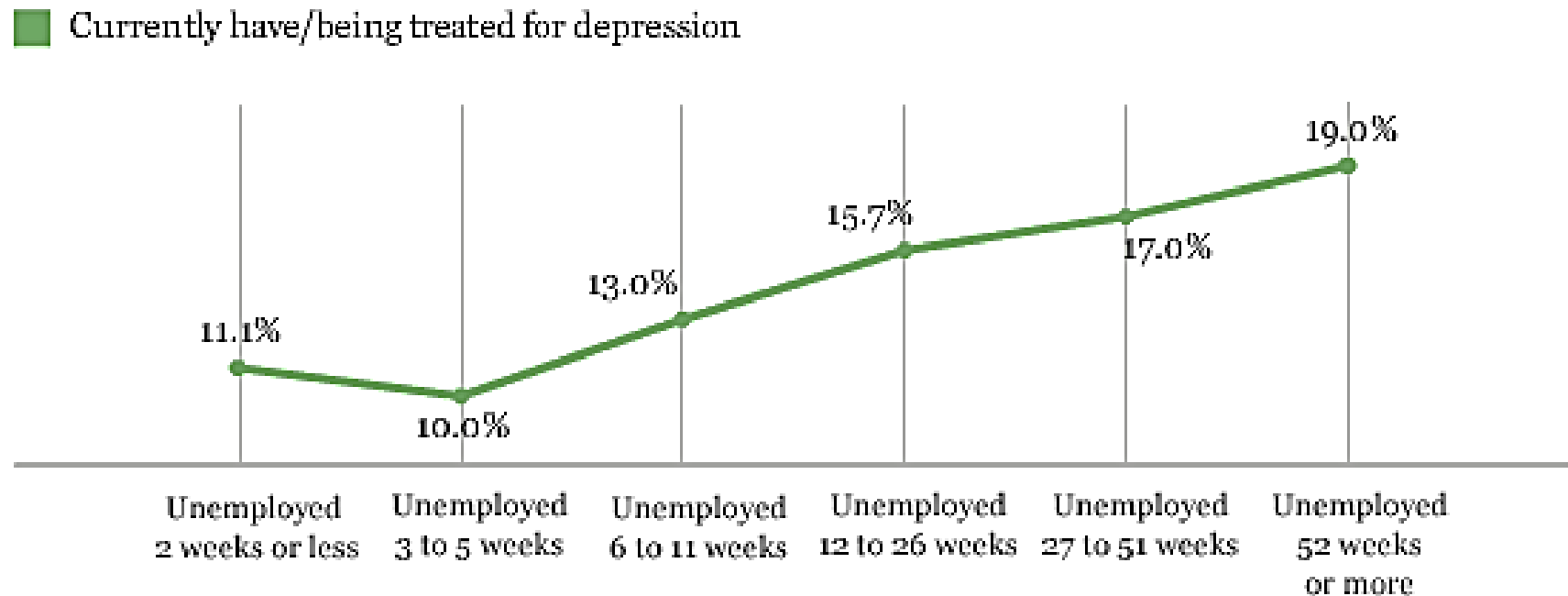


Gallup-Healthways Well-Being Index, 2013

GALLUP®

Do you currently have, or are you currently being treated for depression?

Among unemployed, likelihood of being depressed rises steadily over time.



Gallup-Healthways Well-Being Index, 2013

GALLUP®

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CONNECTICUT COHORTS 2011 - 2014

	# of Participants	# Dropped from Program	# Completed	# Placed In Work Experience	% Placed In Work Experience	Referred to Training or In Job Search	# Hired After Work Experience	% Hired After Work Experience
Total	186	17	169	134	79%	36	120	89%

NATIONAL REPLICATION 2013 - 2014

Total	182	36	146	111	76%	38	101	90%
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San Francisco & Tampa are in progress



Community Development



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CONNECTICUT

- Special thanks to Governor Dannel P. Malloy for his support and belief in the P2E solution.
- Connecticut is providing \$3.6 million to fund a state-wide P2E program.
- Partners:
 - All five workforce boards
 - CT Department of Labor
 - CT Vocational Rehabilitation
- Staff: (Career Coaches & Employer Relations Specialist) located within each region will be on the payroll of The WorkPlace.
- Timeline: Operate over a one-year period beginning this month.
- Scale: The program will serve 500 individuals.
- Structure: 25 cohorts of 20 long term unemployed - 5 cohorts in each of the five WIB regions.

Job-Driven National Emergency Grant

Grantee Name Nevada Department of Employment, Training and Rehabilitation

Grant Award Amount \$1,830,497

Location of Grant Activities Northern Nevada (Washoe County / Reno and Sparks)

Southern Nevada (Clark County / Las Vegas)

Project Description Nevada will contract with The WorkPlace to deliver Platform to Employment. Throughout the program, case managers will provide comprehensive assistance to participants, while Business Service Representatives continually cultivate collaborations with employers who may benefit from P2E participation. The State's WIBs are working to expand their Eligible Training Provider Lists to ensure that occupational skills training leads to industry-recognized credentials.

Nevada plans to leverage the resources of their State agency partners, including the Adult and Dislocated Worker programs; Nevada's Career Enhancement Program; Silver State Works; Wagner-Peyser Employment Services; Unemployment Insurance; and veterans' programs.

Partners Nevada's LWIBs; The WorkPlace; Nevada JobConnects; Nevada's Business Sector Councils; and WIA-funded agencies

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Working on a private fundraising initiative to create a philanthropic vehicle that will cultivate \$18 million over 3 years to further the growth of P2E

PURPOSE

Use Platform to Employment as a vehicle to move state and local governments to make Platform to Employment principles systemic in the American Workforce System.

SUCCESS

- Engrain the experience of Platform to Employment into the local culture so communities may adapt ways and means to support the long-term unemployed.
- Make changes systemic so this population is not forgotten and retains the opportunity to compete for employment.

The Challenge Is Clear

We need to **embrace change**, accept it whether we like it or not and commit ourselves to finding opportunity for the customers of our system.

We must be guided by our **moral obligation** to help others and protect the tenet of opportunity for Americans.

The
WorkPlace
»» *Think it forward.*

THANK YOU



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