



# Workforce Development Board Meeting

April 12, 2021

# West Michigan Labor Market

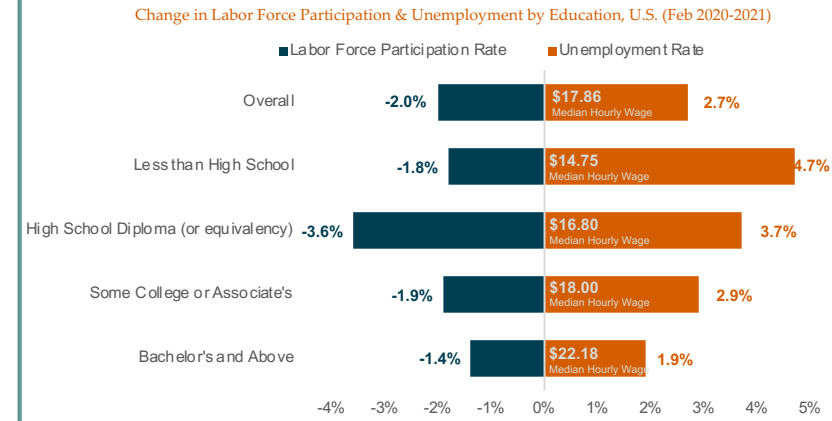
## West Michigan has returned to a tight labor market with 6.1% unemployment (Jan. 2021).

- Compared to 6.1% in MI and 6.8% in U.S.
- 3 in 4 displaced jobs in West Michigan were service-providing.
- Nearly 1 in 2 displaced workers held a High School Diploma or below.

## Minorities, women, and Millennials were the most impacted by the pandemic.

- All report higher rates of lay offs, increased anxiety and financial stress, and relocation.
  - LFPR fell by -2.6% for workers of color, compared to -1.6% for White workers.
  - Unemployment rose 4.1% for minority workers and 2.1% for White workers.
- Each were concentrated among essential industries and sectors most impacted by job loss.

## Low-skill workers were hit especially hard; nearly 1 in 2 displaced workers nationwide held just a high school diploma or below.



## Net population growth is too small to meet anticipated demand, we must upskill current talent.

- Geographic mobility is at an all time low.
  - Mobility declined by almost 50% from 2007 to 2017.
  - Fewer Americans are leaving distressed areas.
- Birth rate is at a historic low; natural growth can't satiate growing demand.

## The pace of adoption for automation/AI has accelerated, shrinking low-skill job growth and increasing the importance of digital literacy and social-emotional skills.

- By 2030, 60% of occupations have at least 30% of work that could be automated.
- 1 in 16 workers will need to find a different occupation by 2030 due to automation.

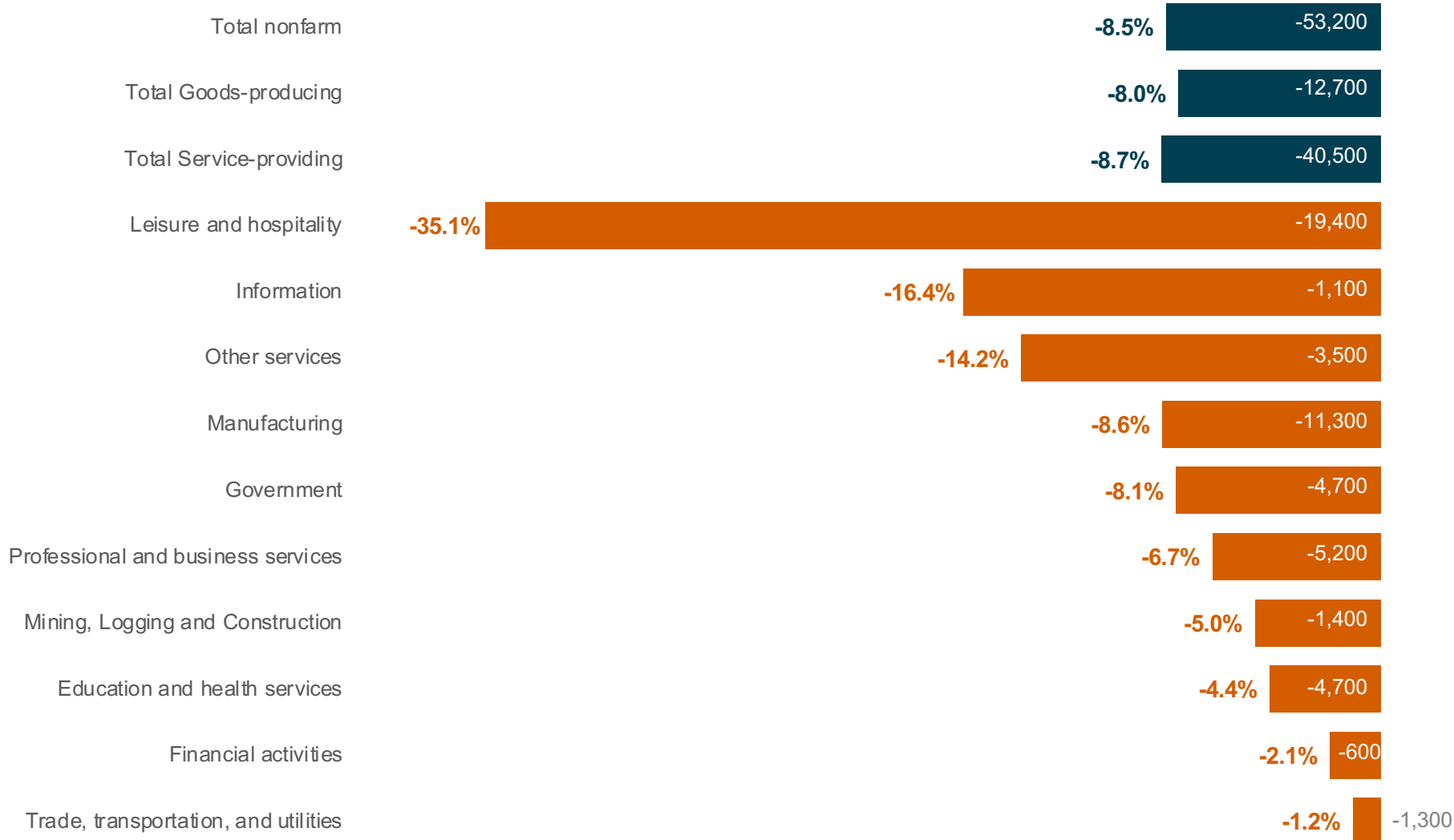
## Expanded Unemployment Insurance benefits are having an adverse impact on talent attraction and retention.

- 2 in 3 HR leaders reported expanded UI benefits made it difficult to recall workers.
  - All reported ghosting was a significant problem.
  - 30% offered bonuses/increased wage to help attract workers.
- 1 in 3 cite continued labor shortages and unexpected resignations.



# Number and Proportion of Displaced Jobs Since March

## COVID-Related Job Loss by Industry, West Michigan (Indexed to March 2020)



**53,200 total jobs displaced**  
from March 2020 to Feb. 2021

**1.5x**

Muskegon's population

**1/3**

Grand Rapids' population

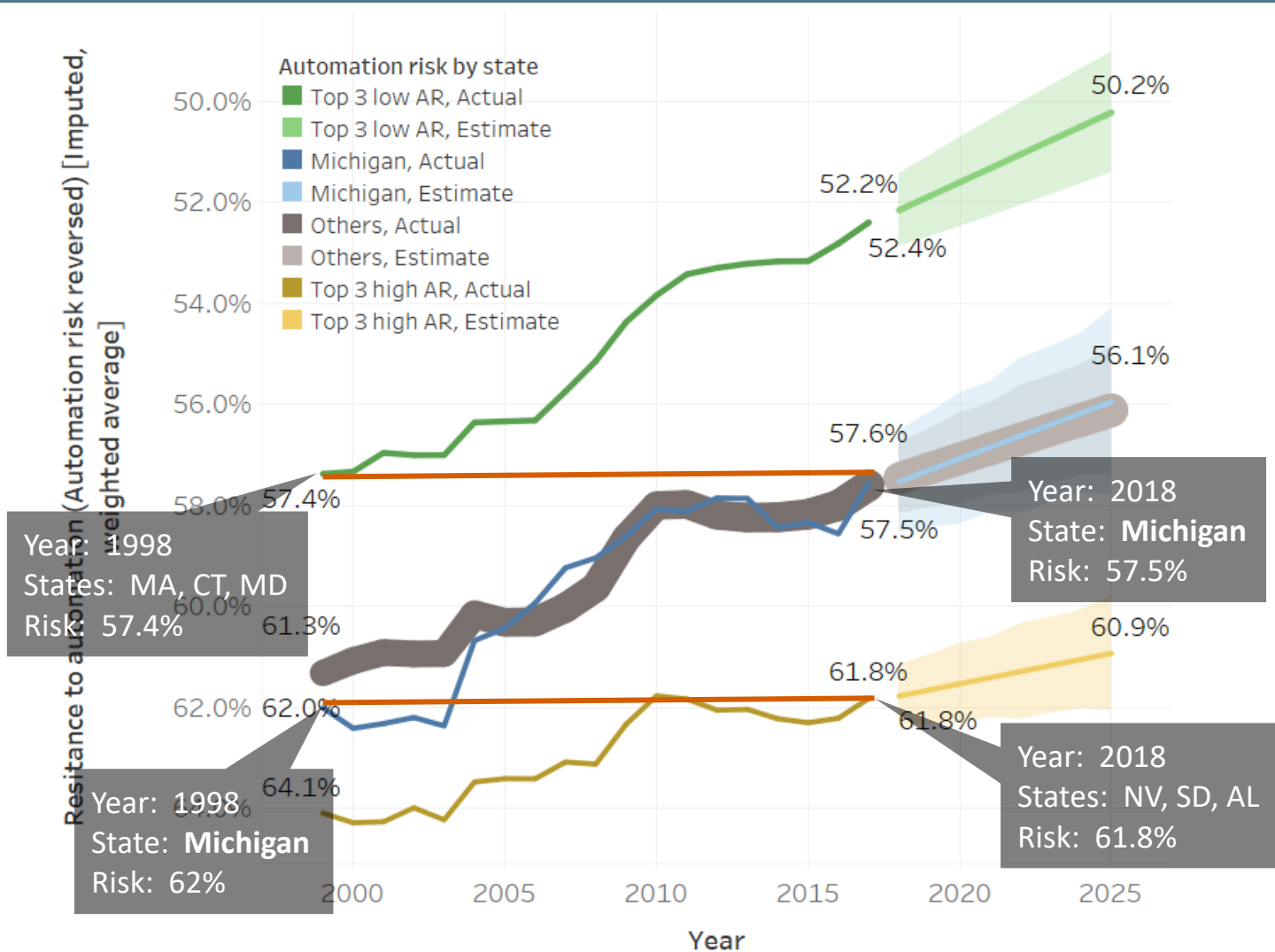
**Nearly 3 out of 4**  
are Service-providing



# What We're Working on Now

Resolve MI's childcare crisis	Improve Adult Basic Education	Promote MAVIN as a platform for career exploration for K-12 students	Reform the Unemployment Insurance Agency
Improve MI's longitudinal data system	Employer commitments to workforce diversity and inclusion; 80+ CEO commitments	Employer invest in the education and skills of their workforce	Incentivize a quick return to work and empower individuals to gain new skills while unemployed.

# Top 3 States Suggest a Probable 20-year Trajectory for Michigan



- Michigan tracks the rest of the country in adoption of automation
- 1998 risk for Michigan matches 2018 risk for bottom 3 states
- 1998 risk for the top 3 states matches 2018 risk for Michigan





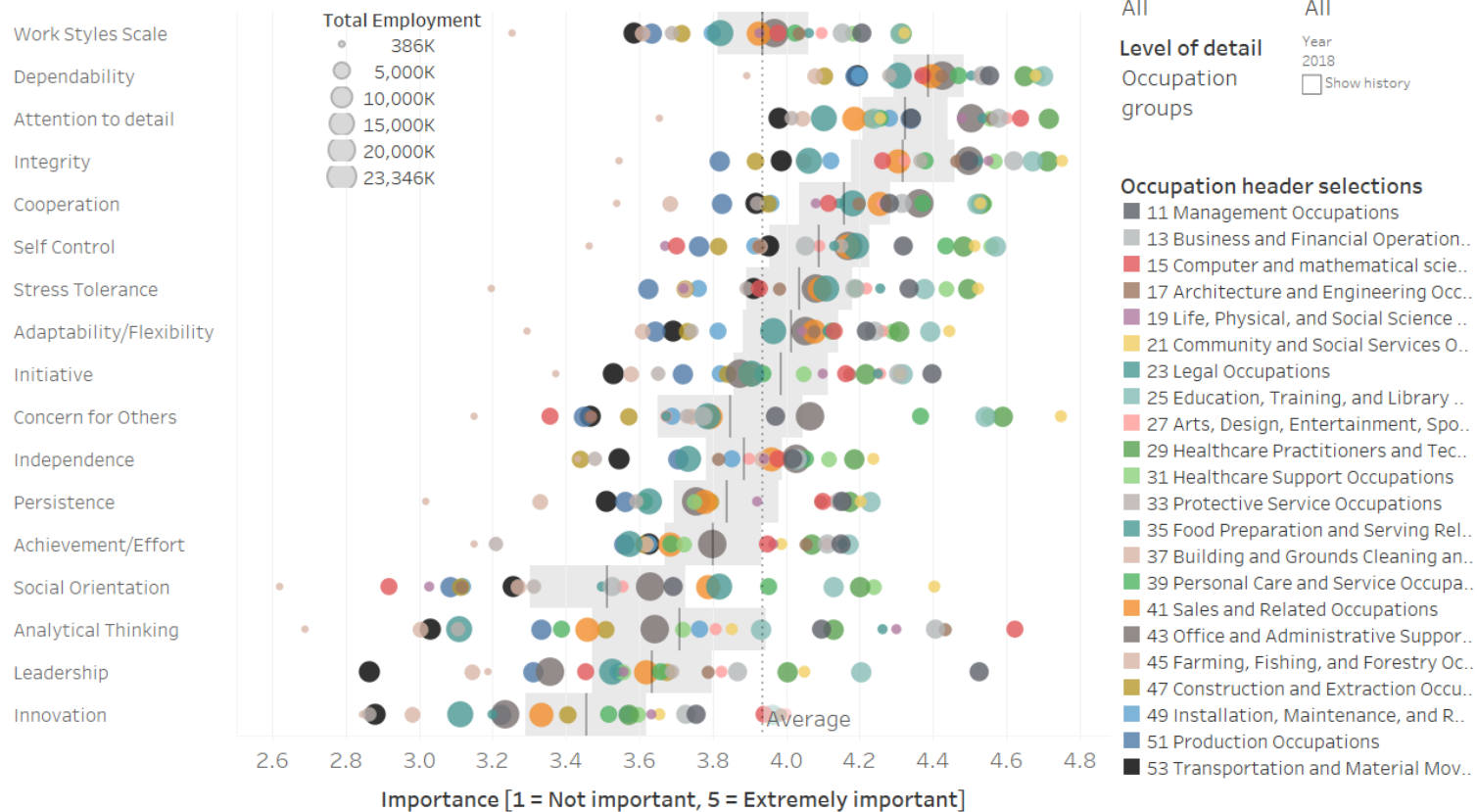
# The Solution: Develop our Workforce's "Soft Skills"

Talent 2025 Future of Work Core Project Team meeting, September 6, 2019: Part 4. Soft skills

16 O*NET work styles ranked by importance by national surveys	Community and social services jobs top overall soft skills scale	Agriculture and transport trail at the bottom of the list	Wide variation among occupational sectors on soft skills.	Each sector has a "soft skills footprint"; here's education.	Computer work: note analytical thinking vs. social orientation	Rising shares where soft skills are "very important"	No signs of potent demand for innovation	Widening gap in demand for...
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Soft skills (Work Styles) detail, All state(s), 2018

Occupation group(s): All



## "Work Styles" in O\*NET data:

- 16 "personal characteristics" closely map to "soft skills."
- Survey respondents reported on the importance of each skill to the position they were reporting on.
- Work Styles importance scores are invariant over time and across states within specific occupations.





# Future Efforts

## Five-Year Goal:

Create a best-in-class workforce system to engage and support the long-term unemployed, job seekers, and employers.

- 70% of adults (25+) have a postsecondary credential.
- 70% of working households are above a survival level budget.
- Reduce by 50% the racial/ethnic disparities in adults with education beyond high school by 50%.

## Short-term:

- Emphasize accountability and support **continuous improvements to workforce and education strategies** through enhanced access to high-quality, longitudinal data allowing for the identification and targeted outreach of long-term unemployed.
- Improve **adult basic education** while strengthening the connection between learning and the promise of good jobs.
- **Align wrap-around supports and services** to reduce barriers to employment while incentivizing a quick return to work for UI recipients with a high school diploma or above.
- **Enable lifelong learning** and empower individuals to progress along career pathways by ensuring a seamless transition between secondary and postsecondary education and training and employment.



# Where You Can Help

**1.**

Advocate to resolve Michigan's childcare crisis

**2.**

Encourage employers to join the MAVIN platform

**3.**

Improve access and quality of adult education programs