

RIO SOUTH TEXAS REGIONAL COOPERATION PROJECT

A presentation to the
Lower Rio Grande Valley Workforce Board
June 29, 2011



TIP Strategies, Inc. | www.tipstrategies.com

Agenda

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- Introduction
- Economic Context
- Project Overview
- Key Findings
 - ▣ Target industries
 - ▣ Occupational analysis
 - ▣ Recommendations
- Questions?

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Introduction

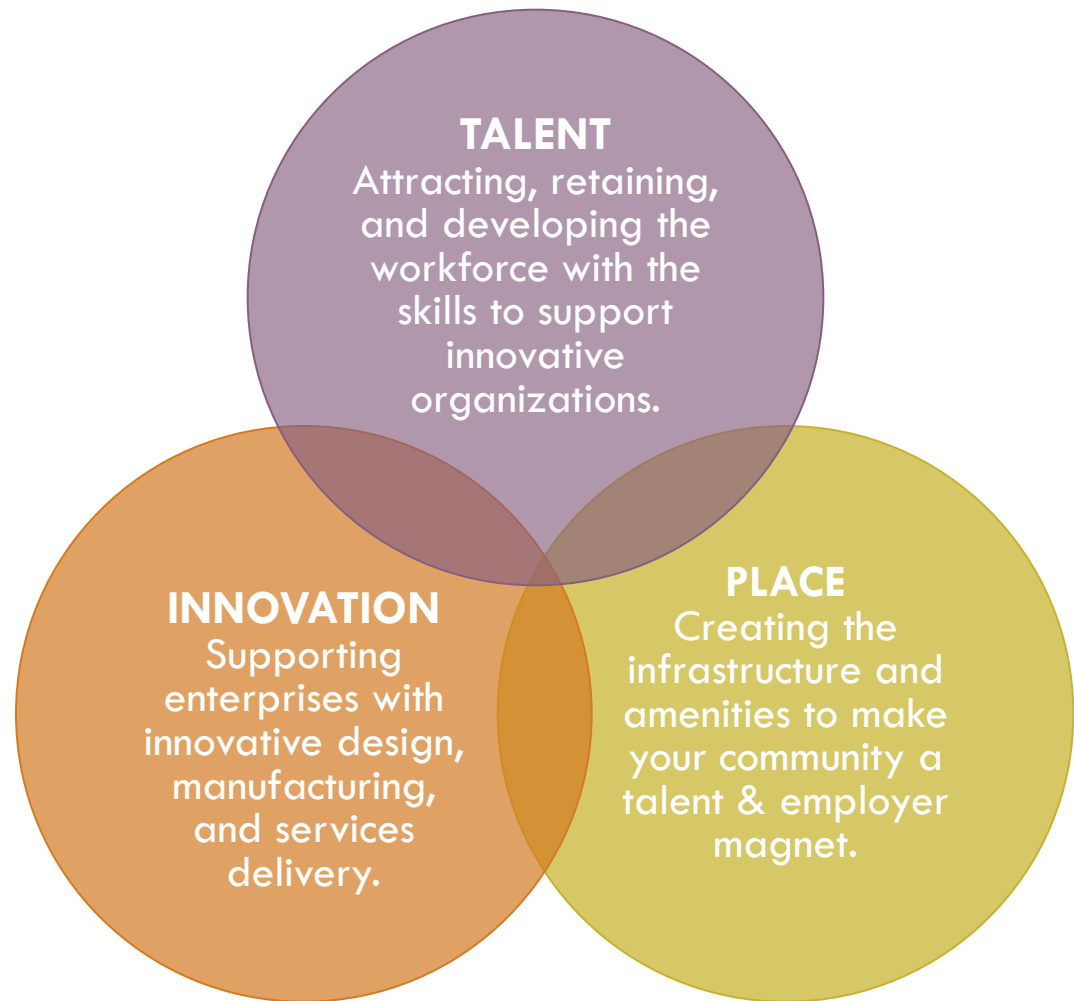
Our Approach

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TALENT-INNOVATION- PLACE FRAMEWORK

Our methods establish a clear vision for economic growth.

Community leaders across the country have embraced the TIP model of Talent, Innovation, and Place to achieve successful and sustainable economies.

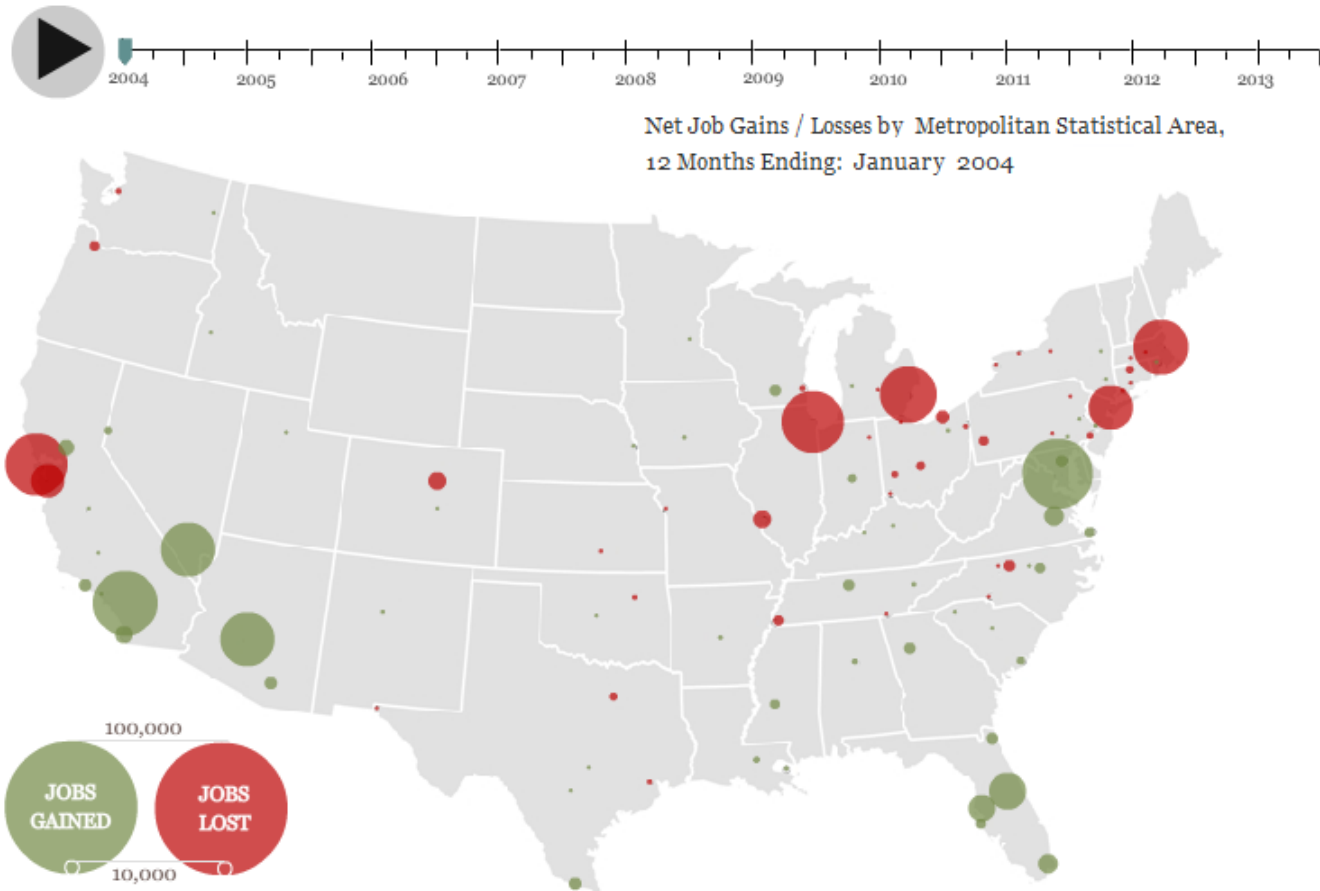


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Economic Context

The geography of jobs ...

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Note: Top 100 Metropolitan Statistical Areas in the contiguous United States based on number of jobs as of December 2008

Source: BLS and state labor agencies (via Moody's Analytics), TIP Strategies

... in actual numbers (millions)...

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TOTAL UNEMPLOYED IN THE US

In millions, seasonally adjusted

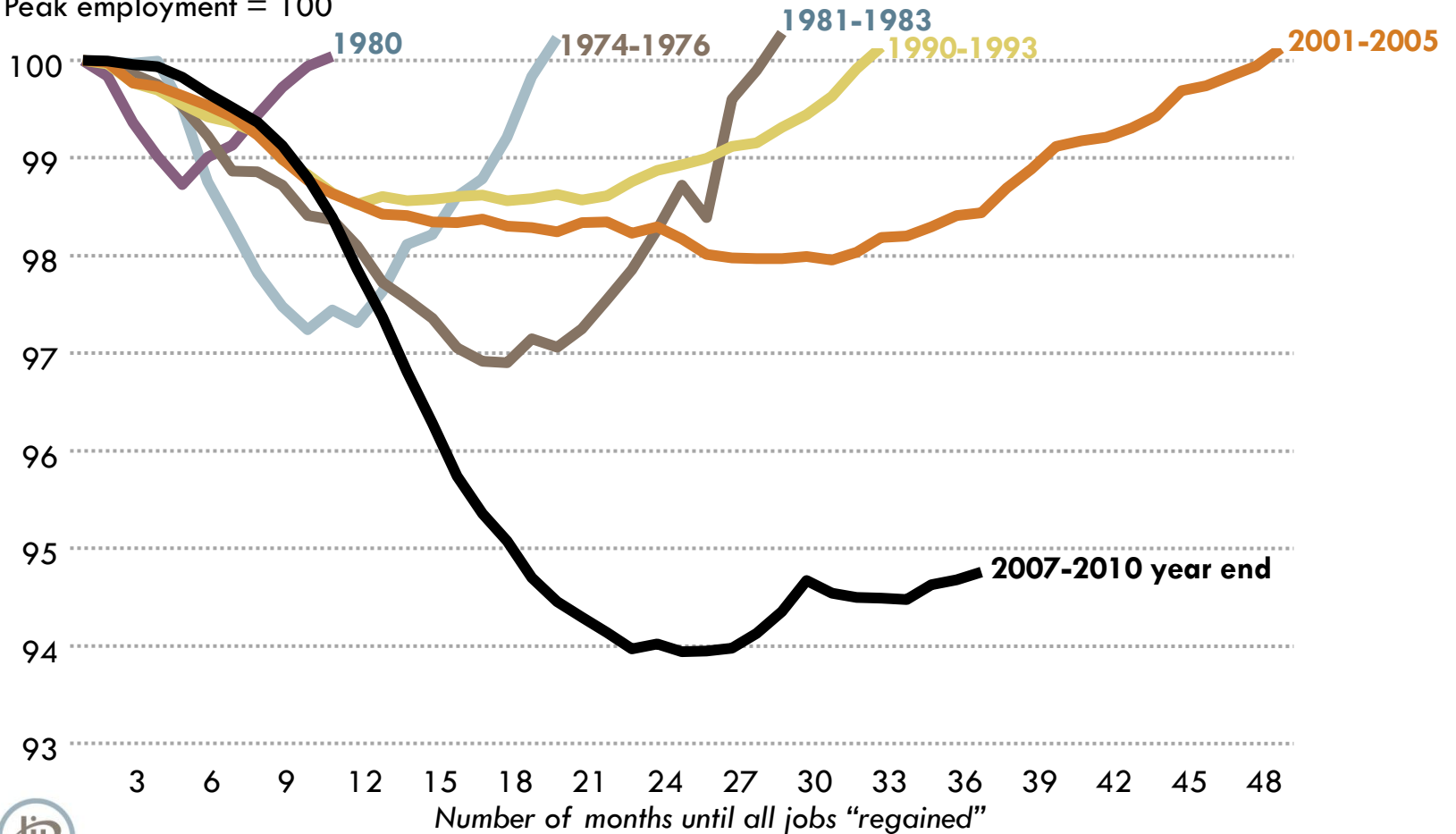


Source: US Bureau of Labor Statistics (Current Population Survey)

... and in historical context

RECESSIONARY EMPLOYMENT TRENDS

Peak employment = 100

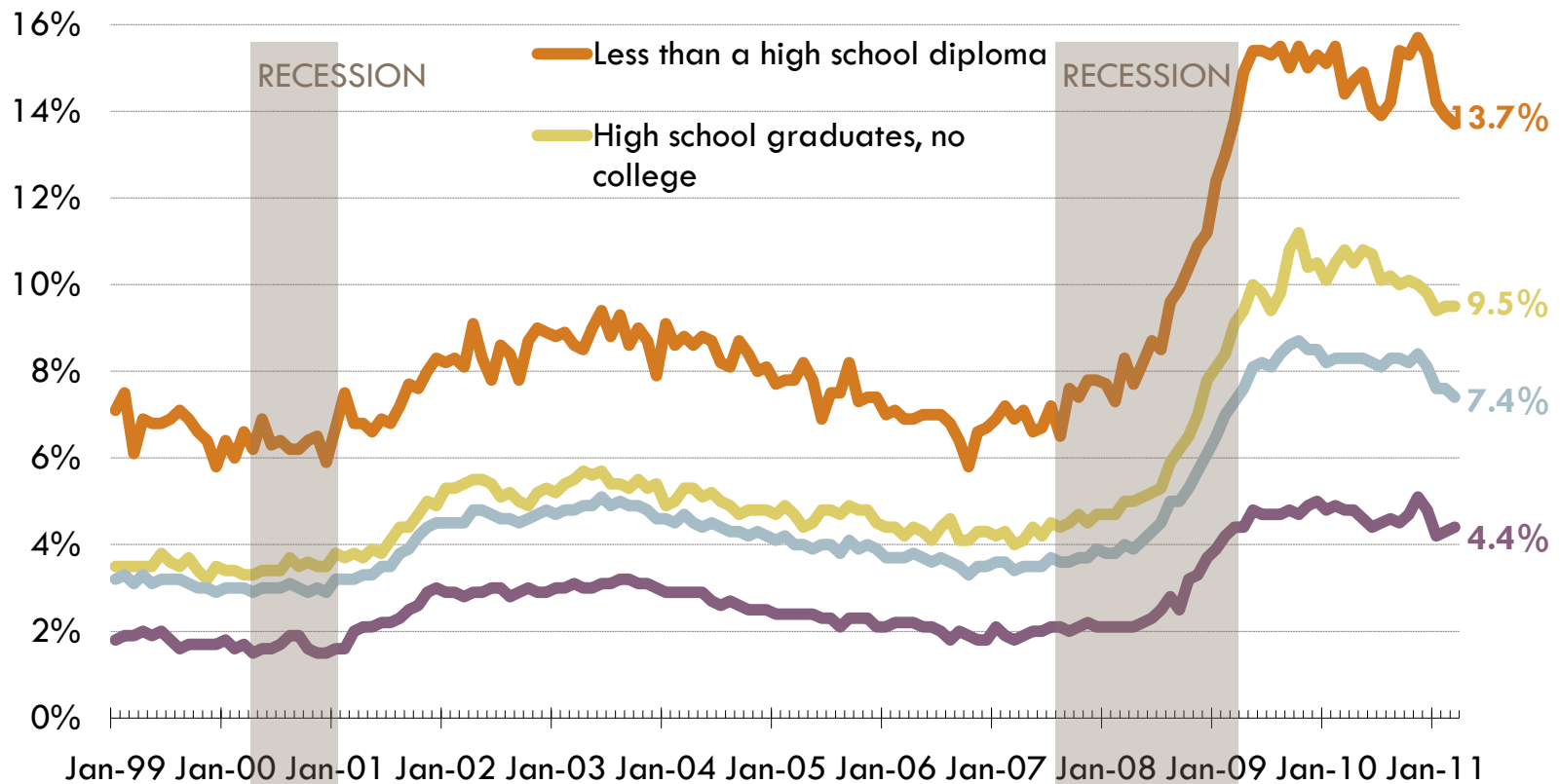


SOURCE: U.S. Bureau of Labor Statistics, Current Employment Statistics (seasonally adjusted)

The jobless burden is shared unevenly...

NATIONAL UNEMPLOYMENT RATE BY EDUCATION, 25+ YRS.

(seasonally adjusted)



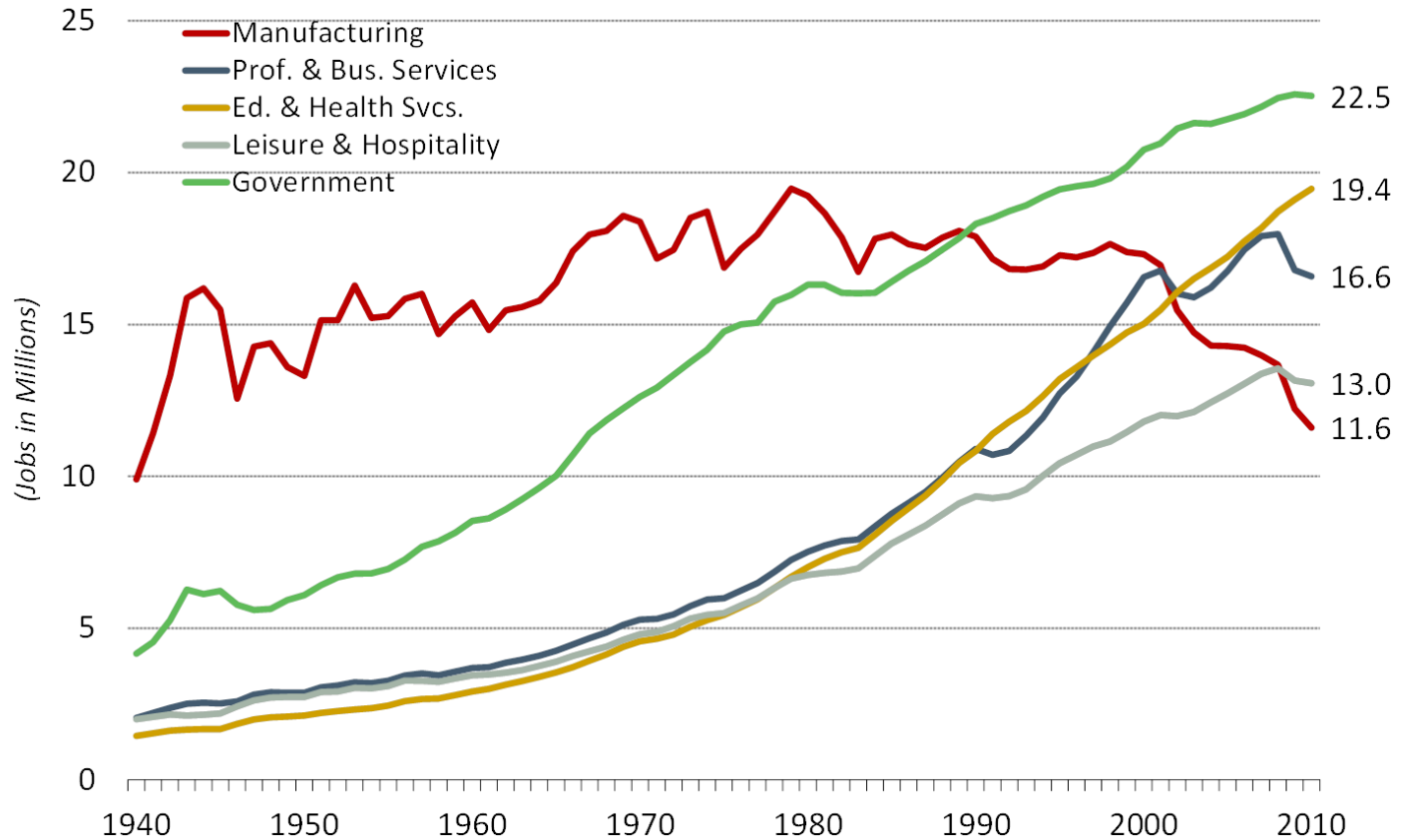
Sources: U.S. Bureau of Labor Statistics (unemployment); National Bureau of Economic Research (recession dates)

...and long-term structural changes persist

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US EMPLOYMENT BY SECTOR

Post-WWII evolution through 7 decades



NOTE: The Government sector is comprised of federal, state, and local government employment, including public education.

The Education & Health Services Sector includes private education providers and education-related services.

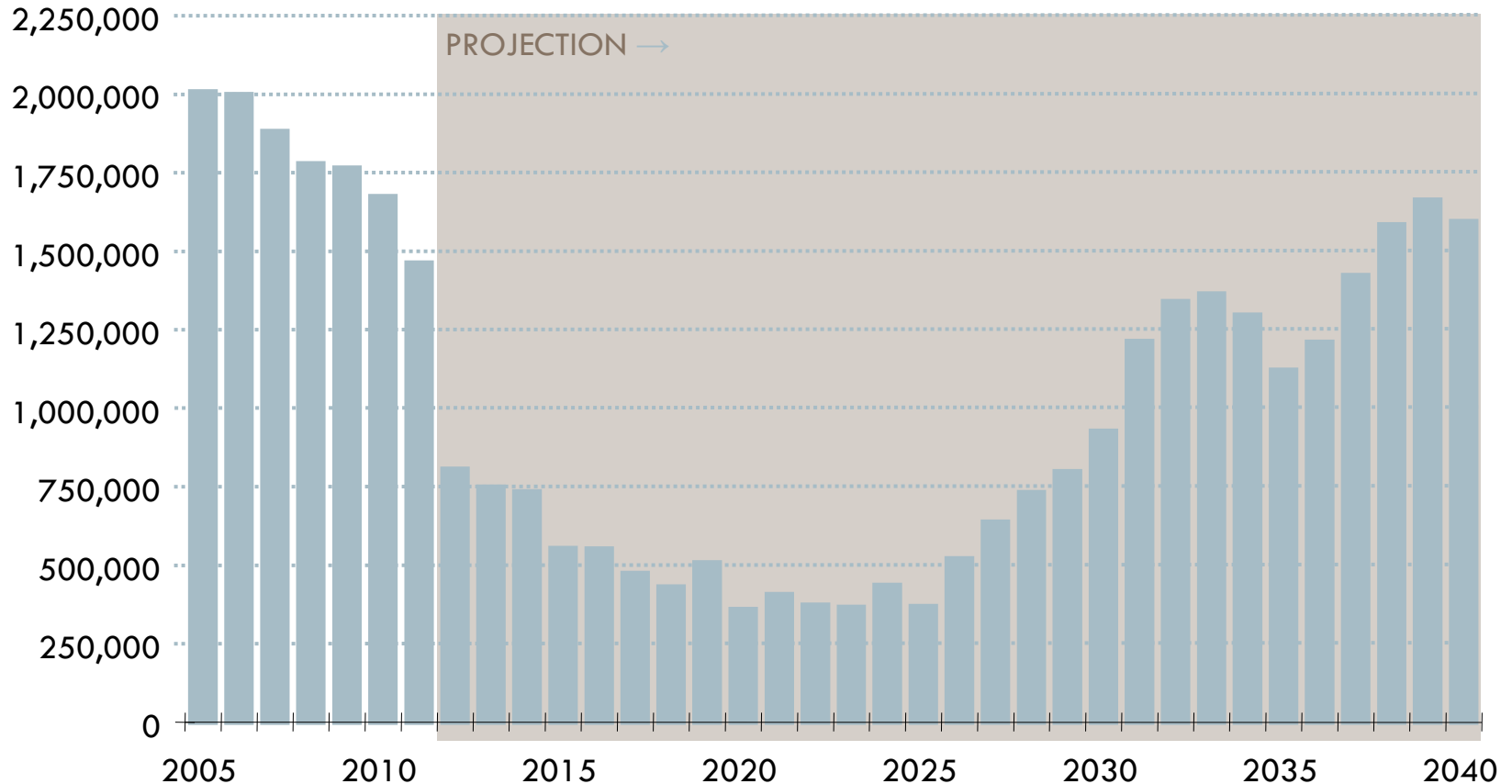
Sources: U.S. Bureau of Labor Statistics

Demographics will tighten labor market ...

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GROWTH OF THE WORKING AGE POPULATION

Projected net annual change for the US population age 18-64

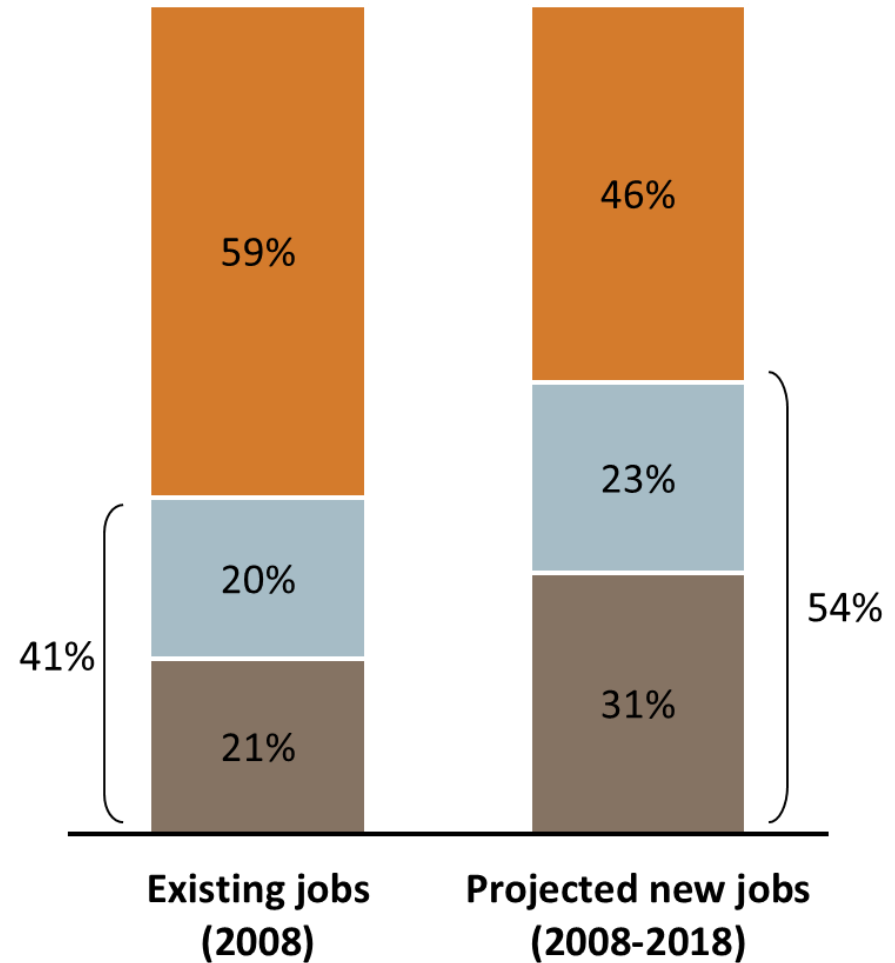


Sources: TIP Strategies; U.S. Census Bureau

... and new jobs will require new skills

Distribution of Existing Jobs (2008) vs. Projected New Jobs (2008-2018) by Skill / Training Level

- On-the-job training
- Some experience or training
- At least a 4-year degree



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Project Overview

Scope of Work

- Task 1: Regional Assessment
 - Quantitative analysis
 - Interviews & focus groups
- Task 2: Regional Cluster Analysis
 - Business survey
 - Occupation-driven analysis
 - Education inventory
- Task 3: Regional Plan
- RSTEC Workforce Brochure

Stakeholder Input

Focus Groups/Interviews

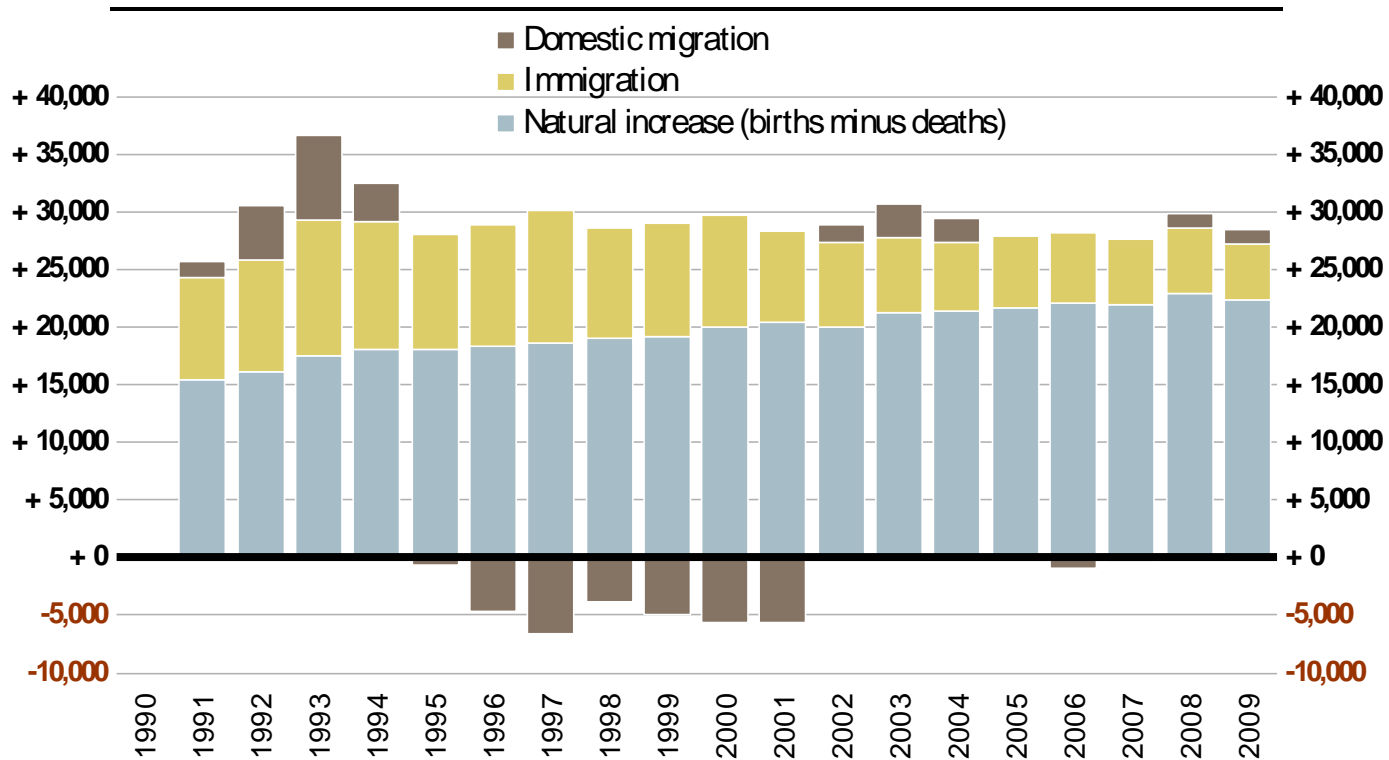
- Economic development officials
- Businesses
- Community and technical colleges
- Regional leaders
- Workforce board staff and contractors

Business Survey

- Questions about training & skills needs
- Distributed via partner organizations
- 32 employers, representing >1,800 employees

Components of Change, 1990-2009

Net annual components of population change 4- county region



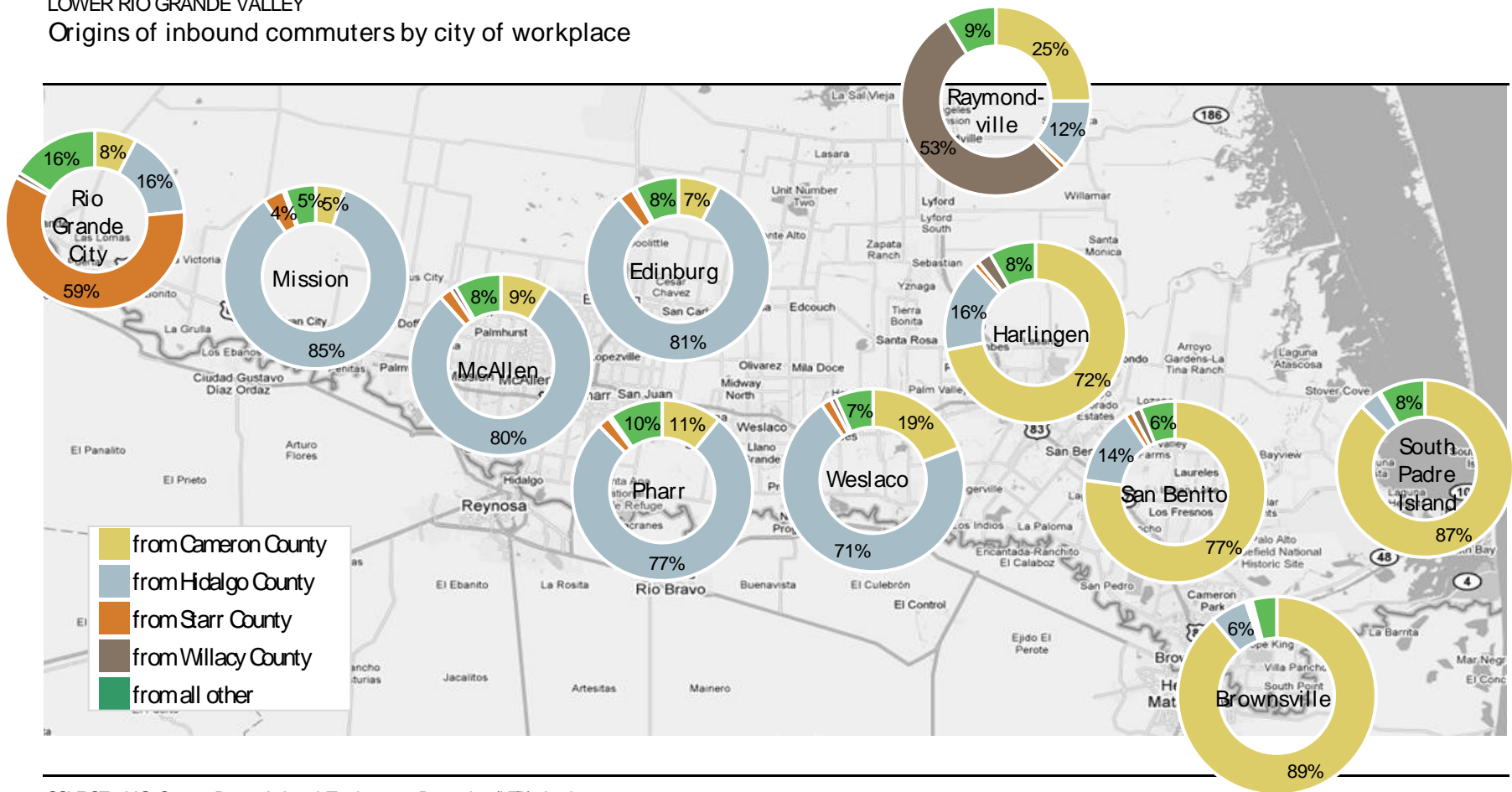
SOURCE: U.S. Census Bureau; Moody's Analytics

NOTE: Figures are for U.S. side of region only (i.e., Cameron County, Hidalgo County, Starr County, and Willacy County)

Inbound Commuters

LOWER RIO GRANDE VALLEY

Origins of inbound commuters by city of workplace

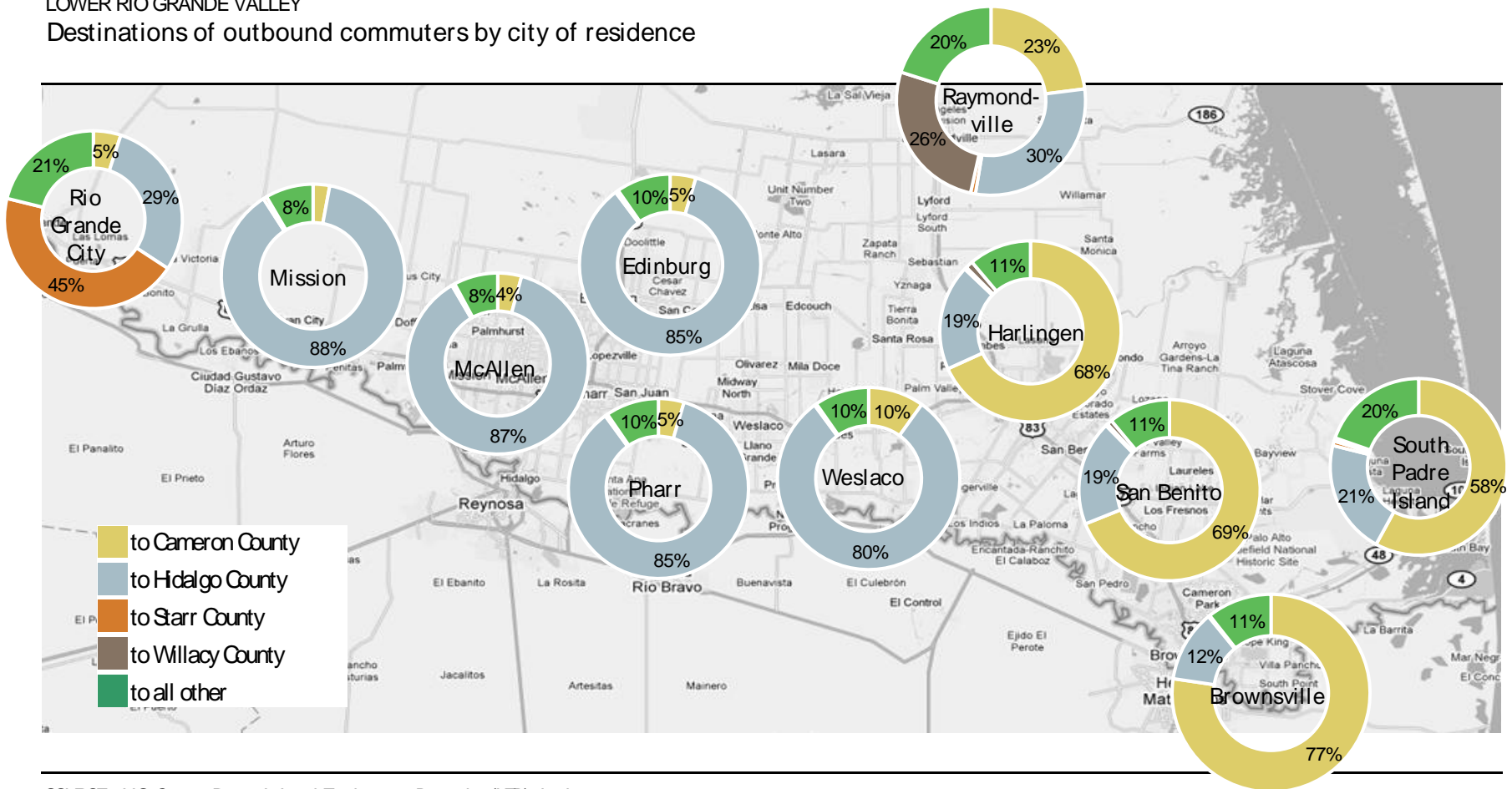


SOURCE: U.S. Census Bureau's Local Employment Dynamics (LED) database, 2002-2008

Outbound Commuters

LOWER RIO GRANDE VALLEY

Destinations of outbound commuters by city of residence

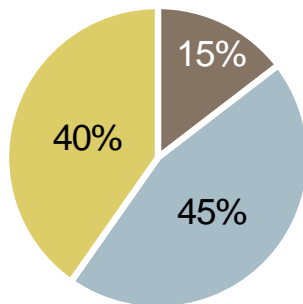


SOURCE: U.S. Census Bureau's Local Employment Dynamics (LED) database, 2002-2008

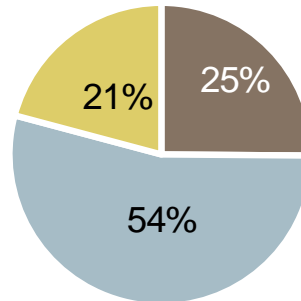
Educational Attainment

Highest educational attainment for the population age 25 or older

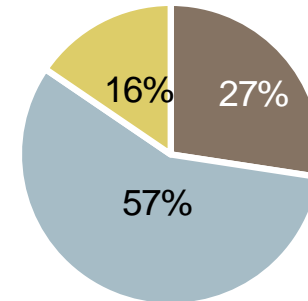
LRGV






Texas



US Average



-  bachelor's degree or higher
-  high school diploma or GED, but less than a 4-year degree
-  no high school diploma or GED

SOURCE: U.S. Census Bureau's American Community Survey, 2006-2008 average; TIP Strategies

Employment by Major Sector

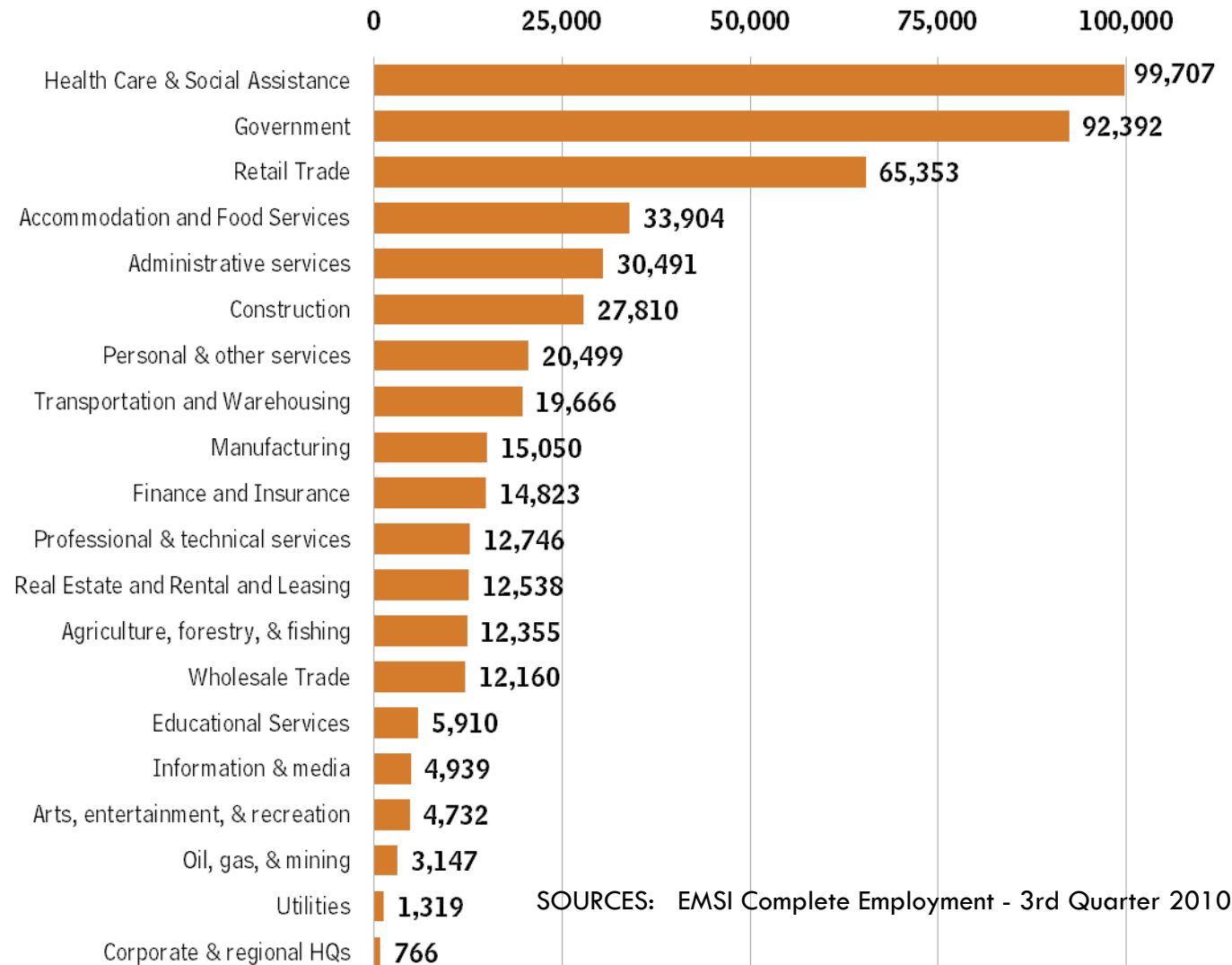
2007 employment shown with the changes from 2008 and 2009

	2007 balance+	2008 net chg+	2009 net chg	
Healthcare & social assistance	86,997	4,644	3,803	
Government (including public education)	85,919	3,157	1,937	
Retail trade	65,334	1,461	(1,761)	
Accommodation & food services	33,066	1,081	(400)	
Construction	31,898	(239)	(2,130)	
Administrative services	28,996	1,718	(998)	
Transportation & warehousing	20,309	134	(715)	
Personal & other services	19,792	881	(277)	
Manufacturing	17,928	(567)	(2,229)	
Finance & insurance	14,795	344	(500)	
Agriculture, forestry, & fishing	13,814	(578)	(473)	
Professional & technical services	13,026	125	(105)	
Wholesale trade	12,834	234	(691)	
Real estate	11,834	1,151	(390)	
Information	5,344	(363)	185	
Arts, entertainment, & recreation	4,832	30	(184)	
Educational services (excl. public ed.)	4,528	930	318	
Oil, gas, & mining	3,150	492	(584)	
Utilities	1,255	54	(14)	
Corporate HQs & regional offices	514	111	136	
Total	476,165	14,800	(5,072)	

SOURCE: TIP Strategies; EMSI, Complete Employment - 3rd Quarter 2010 (preliminary)

Job Base by Industry Sector, 2010

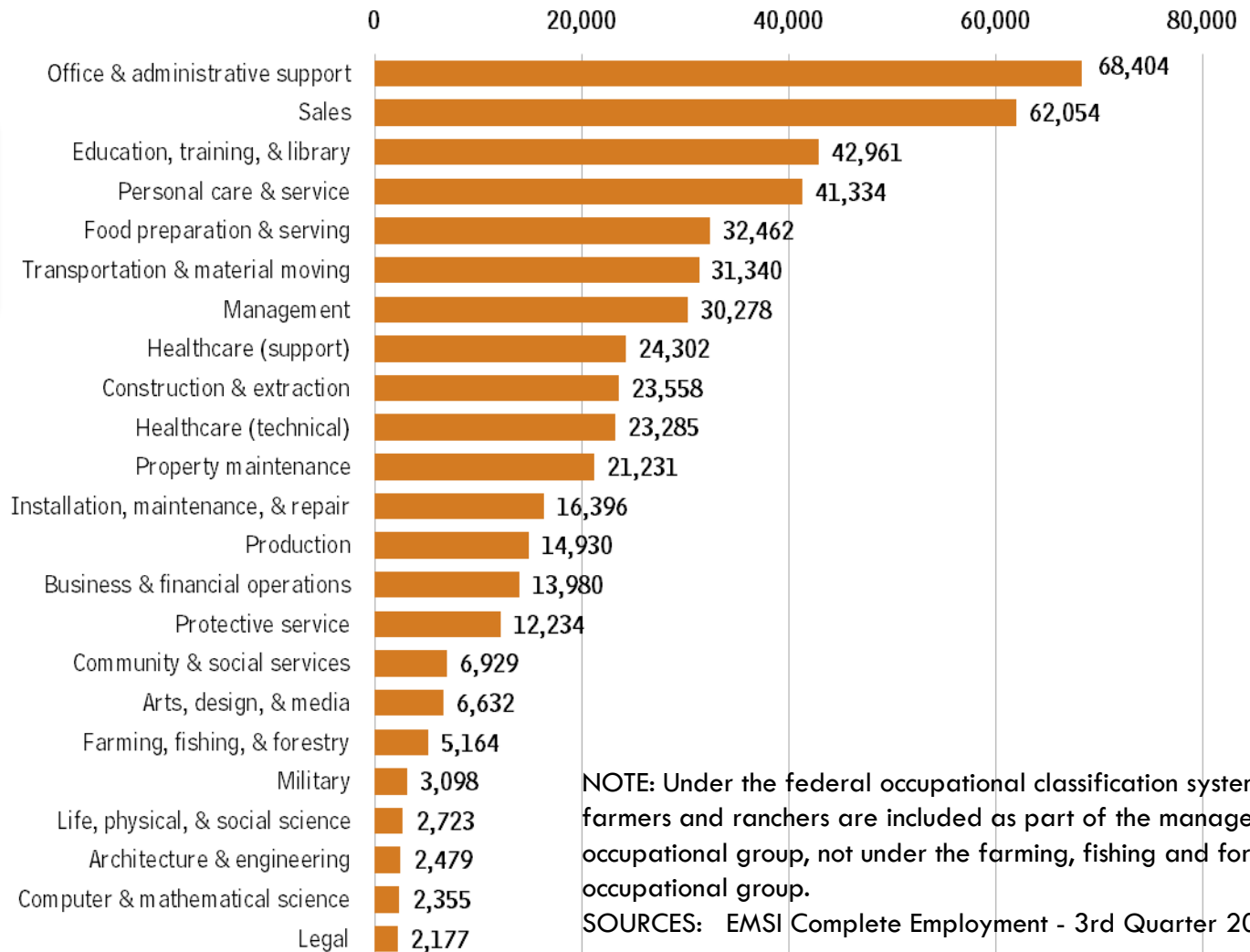
Three industries account for slightly more than one-half of total employment



SOURCES: EMSI Complete Employment - 3rd Quarter 2010

Job Base by Occupational Group, 2010

The region's job base now approaches one-half million



NOTE: Under the federal occupational classification system, farmers and ranchers are included as part of the management occupational group, not under the farming, fishing and forestry occupational group.

SOURCES: EMSI Complete Employment - 3rd Quarter 2010

Fastest Growing Occupations

Numbers of projected new jobs, 2010-2015

Code	Description	2010	2015	Net	%	Current Median Hourly Earnings	Typical Education & Training (1)
39-9021	Personal and home care aides	25,901	33,927	+8,026	31%	\$7.59	Short-term OTJ
31-1011	Home health aides	12,031	15,858	+3,827	32%	\$7.68	Short-term OTJ
41-2031	Retail salespersons	17,267	19,571	+2,304	13%	\$8.06	Short-term OTJ
25-2021	Elementary school teachers, except special education	10,307	12,216	+1,909	19%	\$31.06	Bachelor's degree
41-1011	First-line supervisors/managers of retail sales workers	10,102	11,712	+1,610	16%	\$10.60	Work experience
43-9061	Office clerks, general	10,488	12,080	+1,592	15%	\$9.10	Short-term OTJ
39-9011	Child care workers	8,471	10,038	+1,567	18%	\$7.45	Short-term OTJ
35-3021	Combined food prep & serving workers, incl. fast food	11,062	12,606	+1,544	14%	\$7.47	Short-term OTJ
29-1111	Registered nurses	7,027	8,544	+1,517	22%	\$31.24	Associate's degree
43-4051	Customer service representatives	8,432	9,809	+1,377	16%	\$9.12	Moderate-term OTJ
31-1012	Nursing aides, orderlies, and attendants	6,473	7,755	+1,282	20%	\$8.45	PS vocational award
53-3032	Truck drivers, heavy and tractor-trailer	6,912	8,019	+1,107	16%	\$12.72	Moderate-term OTJ
25-9041	Teacher assistants	6,691	7,695	+1,004	15%	\$12.09	Short-term OTJ
25-2022	Middle school teachers, except special and vocational	5,371	6,351	+980	18%	\$32.00	Bachelor's degree
43-6014	Secretaries, except legal, medical, and executive	7,748	8,722	+974	13%	\$10.93	Moderate-term OTJ

Source: EMSI Complete Employment – 3rd Quarter 2010.

(1)The U.S. Bureau of Labor Statistics BLS has identified 11 education or training categories to describe the most significant education or training pathway to employment for each occupation. OTJ = on-the-job training; PS = postsecondary; "Work experience" refers to work competed in a related field.

Highest Earning Occupations

Code	Description	2010	2015	Net	%	Current Median Hourly Earnings	Typical Education & Training (1)
29-1069	Physicians and surgeons	2,132	2,568	+436	20%	\$83.40	First prof. degree
29-1051	Pharmacists	775	925	+150	19%	\$56.87	First prof. degree
11-9032	Education administrators, elementary and secondary	1,244	1,428	+184	15%	\$44.50	Degree + work exp.
25-1099	Postsecondary teachers	3,922	4,673	+751	19%	\$39.23	Doctoral degree
29-1123	Physical therapists	701	908	+207	30%	\$35.14	Master's degree
25-2031	Secondary school teachers, except special and vocational	6,025	6,927	+902	15%	\$33.29	Bachelor's degree
25-2032	Vocational education teachers, secondary school	727	839	+112	15%	\$33.05	Degree + work exp.
11-9111	Medical and health services managers	885	1,062	+177	20%	\$32.37	Degree + work exp.
25-2022	Middle school teachers, except special and vocational	5,371	6,351	+980	18%	\$32.00	Bachelor's degree
25-2041	Special educ. teachers, preschool, kindergarten, and elem.	802	964	+162	20%	\$31.98	Bachelor's degree
11-1021	General and operations managers	4,142	4,500	+358	9%	\$31.64	Degree + work exp.
29-1111	Registered nurses	7,027	8,544	+1,517	22%	\$31.24	Associate's degree
25-2021	Elementary school teachers, except special education	10,307	12,216	+1,909	19%	\$31.06	Bachelor's degree
25-9031	Instructional coordinators	778	955	+177	23%	\$29.44	Master's degree
13-1041	Compliance officers ⁽²⁾	1,817	2,205	+388	21%	\$28.20	Long-term OTJ

Source: EMSI Complete Employment – 3rd Quarter 2010.

(1) The U.S. Bureau of Labor Statistics BLS has identified 11 education or training categories to describe the most significant education or training pathway to employment for each occupation. OTJ = on-the-job training; PS = postsecondary; “Work experience” refers to work completed in a related field. (2) Excludes compliance officers in agriculture, construction, health and safety, and transportation.

RSTEC Workforce Brochure

Workforce

WORKFORCE BROCHURE
CLICK HERE TO DOWNLOAD



Bringing It All Together

The Rio South Texas Advantage



WORKFORCE | EDUCATION & TRAINING | INDUSTRY | INCENTIVES | GLOBAL OUTLOOK | INFRASTRUCTURE



Workforce

Rio South Texas is a great place to find the talent you need. Comprised of Cameron, Hidalgo, Starr, and Willacy counties, the region (also known as the Lower Rio Grande Valley) offers unrivaled growth opportunities for businesses of all sizes.

A primary ingredient in the Valley's thriving economy is its workforce. The regional labor force is young, skilled, increasingly educated, internationally minded – and growing. Businesses of all industries cite the stable, skilled, and readily available workforce as a major reason they moved to or expanded in the region.

A great place to find talent...

- **A steady supply.** The Valley is home to approximately 1.3 million people. When neighboring regions of Mexico are included, this figure rises to more than 2.5 million. By 2030, the combined population is expected to surpass 3.6 million, with the US side accounting for an increasing share.
- **A young population.** While many parts of the country have begun facing worker shortages as baby boomers exit the labor force, Valley employers have access to a growing pool of young workers. Growth in the region's working-age population is expected to continue to outpace the US. The four-county area will also continue to have a greater share of its population under the age of 18 than the national average, lessening the impact of upcoming retirements.
- **Increasingly educated.** Dropout prevention programs, like the College, Career, and Technology Academy created by Pharr-San Juan-Alamo Independent School District and South Texas College, have helped improve educational outcomes in the region. Among young adults (aged 18 to 24) the share of the population with a high school diploma or GED is approaching the state average.
- **Globally connected.** The Valley's location at an international intersection puts the region and its workforce at the forefront of global commerce. Many businesses are attracted to the area by the bilingual workforce. Indeed, regional workers understand the languages, culture, customs, and challenges involved in running international operations.
- **Competitive wage rates.** The region's wage rates are very competitive across all occupational categories.
- **Access to training.** The availability of quality education and training programs, as well as a strong network of workforce development agencies, makes the area even more attractive to companies in need of skilled workers. State-level incentives, such as the Skills Development Fund, can help create a tailor-made workforce.

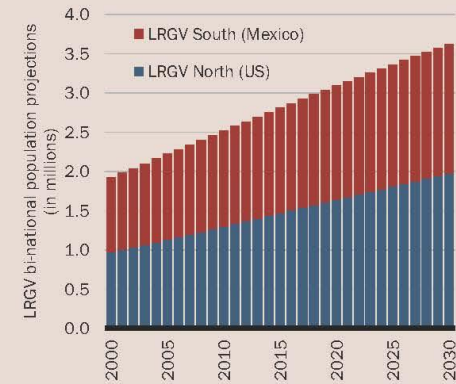
Population under 18 years of age



SOURCE: U.S. Census Bureau (history) Moody's Analytics (projections). LRGV = Cameron, Hidalgo, Starr, and Willacy Counties

Projected bi-national population growth

Rising share of growth occurring on U.S. side



SOURCE: Texas State Data Center (3.0 scenario); CONAPO, Consejo Nacional de Población (Delimitación de zonas metropolitanas de México)
US side = Hidalgo, Cameron, Starr, & Willacy counties
Mexican side = Matamoros, Rio Bravo, & Reynosa

Annual growth rate of the working-age population

Defined as residents age 20 to 64



SOURCE: U.S. Census Bureau (history) Moody's Analytics (projections)
Lower Rio Grande Valley (LRGV) = Cameron, Hidalgo, Starr, and Willacy Counties

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Key Findings

Target Industry Refinement

REGIONAL COOPERATION PROJECT

- Advanced Manufacturing
- Healthcare
- Business Services
- Criminal Justice/Homeland Security
- Construction/Skilled Trades
- Education
- Energy*

2005 INDUSTRY CLUSTER ANALYSIS

- Manufacturing & Related
- Healthcare
- Business Services
- Homeland Security & Law Enforcement
- Construction
- Retail & Hospitality

Green Jobs Definition: O*NET

- Green Economy Occupational Categories:
 - ▣ Enhanced demand
 - Example: Insulation installers
 - ▣ Enhanced skills
 - Example: HVAC technician
 - ▣ New & emerging
 - Example: Energy auditors

About O*NET

The Occupational Information Network (O*NET) program is the nation's primary source of occupational information. O*NET was developed as a partnership between the US Department of Labor/Employment and Training Administration (USDOL/ETA) through a grant to the North Carolina Employment Security Commission.

Potential Emerging Occupations

Occupation Description (from ONET)	Related Industry (2)	Green Economy?
Mfg. Production Technicians	Advanced Mfg.	✓
Mechanical Eng. Technologists	Advanced Mfg.	✓
Mfg. Engineering Technologists	Advanced Mfg.	✓
Industrial Eng. Technologists	Advanced Mfg.	✓
Manufacturing Engineers	Advanced Mfg.	✓
Energy Auditors	Energy	✓
GIS Technicians	Geospatial	✓
Wind Turbine Service Technicians	Green	✓
Weatherization Installers & Techs	Green	✓
Sustainability Specialists	Green	✓
Supply Chain Managers	Transportation	✓

Occupation Description (from ONET)	Related Industry (2)	Green Economy?
Clinical Nurse Specialists	Health Care	
Patient Representatives	Health Care	
Nurse Practitioners	Health Care	
Document Management Specialists	IT	
Business Intelligence Analysts	IT	
Data Warehousing Specialists	IT	
Database Architects	IT	
Web Administrators	IT	
Web Developers	IT	
Network Designers	IT	
Computer Systems Eng./Architects	IT	

Education & Training Inventory

LRGV curricula assessment

Search ▶

Licensed Practical and Licensed Vocational Nurses



NOTE: Includes training providers within the four-county region served by Lower Rio WFB and Cameron WFB; Data provided are for latest year available for each data type. This m
 SOURCES: National Center for Education Statistics; U.S. Bureau of Labor Statistics; National Crosswalk Service Center; U.S. Employment & Training Administration; Texas Higher

Find curricula
 information by
SCHOOL

Completions (1st & 2nd majors) from NCES (institutions that participate in federal financial aid programs)

Completions report

Potential post-secondary
 educational programs matching
 ▼ the selected occupation

Totals by school (most recent year available) ▶

Licensed Practical /Vocational Nurse Training (LPN, LVN, Ce

NCES Completions	Advanced Barber College and Hair Design	Career Centers of Texas-Brownsville	Kaplan Career Institute - McAllen	South Texas College	South Texas Training Center	South Texas Vocational Technical Institute	South Texas Vocational Technical Institute-McAllen	South Texas Vo-Tech Institute	Southern Careers Institute Inc-South Texas	Texas Southmost College	Texas State Technical College Harlingen	The University of Texas at Brownsville	The University of Texas-Pan American	University of Cosmetology Arts and Sciences	Valley Grande Institute for Academic Studies
✓	0	0	0	138	0	0	0	0	0	67	0	0	0	0	195
✓	0	0	0	138	0	0	0	0	0	67	0	0	0	0	195

TWC Completions	Action Career Training, II	Allied Skills Training Center	Border Tech School	Career Heights Centers of Education	DATS/Rio Grande Valley	Imaging Skills Institute	Inter-Tech Technical School
✓	0	0	0	0	0	0	0
✓	0	0	0	0	0	0	0

Example: Healthcare

- Over-supply?
 - ▣ Entry-level positions (nursing aides, medical technicians)
 - Private providers trained 1,000 to 1,400/year past three years (CIP codes 51.1614 and 51.0801)
 - Estimated demand for related occupations >450/year
- Shortage?
 - ▣ Registered nurses
 - Completions of 350 to 400/year
 - Estimated new growth of 253/year, BUT projected replacement need pushes this to almost 400 workers annually.
 - ▣ Pharmacists (no training locally, demand estimated at 44/year), but twice the number of pharmacy techs needed?

Recommendations

- Expand **industry-driven** approaches to curricula development throughout the region.
- Create a regional plan to address **literacy** issues and skills gaps along the Texas-Mexico border.
- Strengthen **entrepreneurship** in the region.
- Work with the colleges to change perceptions about careers requiring **career & technical** training.
- Explore potential **funding sources** for strategies

Details: Industry-Driven Curricula

- Convene industry councils
- Conduct workforce-mapping initiatives
- Share best practices
- Identify resources going forward

Breaking Through Strategies

- ✓ Accelerated learning
- ✓ Comprehensive support services
- ✓ Labor market payoffs
- ✓ Aligning programs for low-skilled adults

Details: Border Literacy

- Support existing initiatives (e.g., Border Workforce Alliance)
- Focus on:
 - ▣ Increasing access to employment (e.g., stackable credentials)
 - ▣ Link with growth in entrepreneurship
 - No. of Hispanic-owned business grew at > twice US rate, 2002-2007

Literacy and Poverty

According to one analysis of American Community Survey data, the **English proficiency** of the head of household explains roughly **50% of the poverty gap** between Hispanics and non-Hispanics.

SOURCE: "Trends in Poverty and Inequality among Hispanics," presented June 16, 2011 at *The Hispanic Economic Experience* sponsored by the Federal Reserve Bank of Dallas

Details: Entrepreneurship

- Add to occupations list
- Organize industry-specific entrepreneurship groups
- Train entrepreneurial coaches / concierges
- Help assemble resources (mentors, capital)
- Support youth entrepreneurship
- Host workshops, training events, “meet-the-lender” sessions

ETA Guidance

Workforce investment boards are “strongly encouraged to examine existing strategies for promoting entrepreneurship as an employment strategy, establish parameters for funding entrepreneurial and self-employment training, and explore further opportunities for supporting entrepreneurship.”

SOURCE: US DOL ETA Training and Employment Guidance Letter 12-10 (November 2010), *Supporting Entrepreneurial and Self-Employment Training through the Workforce Investment System*.

Details: Career & Technical Training

- Identify model practices
- Raise awareness about opportunities and earnings
 - ▣ State-level campaign? PSAs?
- Link to creativity (e.g., Maker Faire)
- Keep school guidance counselors up-to-date
- Encourage incumbent workers to move into technical fields

“Gotta Make It”

As part of its Advanced Manufacturing/CNC Consortium, WFS Tarrant County and its partners produced this video, which is now available to local students on DVD and via YouTube.

The project was funded through a \$50,000 Texas Workforce Commission grant and donations of time and equipment.

Details: Funding Sources

- Create regional funding collaborative for the Valley
 - ▣ Start with Regional Partners
- Identify contacts for & priorities of relevant groups
- Serve as technical resource (data, expertise)
- Explore feasibility of Valley as Hispanic Scholarship Fund pilot region

Regional Funding Collaboratives

“Regional funding collaboratives bring together government agencies, foundations, and other philanthropic organizations to target financial resources and strategic thinking on creating jobs and careers.”

SOURCE: National Fund for Workforce Solutions

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Questions?

THANK YOU



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