

Workforce³One

Transcript of Webinar

Models for Incorporating Labor Market Data into Sector Partnerships

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BRIAN KEATING: Now we want to welcome everyone to the "Models for Incorporating Labor Market Data into Sector Partnerships" webinar, featuring WIOA Works Illinois. And to kick us off, I'm going to turn things over to Jeremy Kelly from Jobs for the Future. Jeremy is a senior program manager with Jobs for the Future. Jeremy?

JEREMY KELLY: Thanks, Brian. And this is our second data focused session in the sector strategies technical assistance that we've been conducting. And just from the poll I'm encouraged to see representation both from workforce staff and also from education. It's good to see that you're bringing different partners in your region to these types of discussions and technical assistance sessions. I'd like to reiterate what Brian said. If you'd like to chime in, press *6 to unmute yourself, and then you can ask a question.

And without further ado I'd like to introduce Michael Baker. He's the manager for strategic planning and innovation at the Illinois Department of Commerce and Economic Opportunities, Office of Employment and Training. And he works with the WIOA Works program, which is involved in several different sector development pipeline initiatives. We're going to have time for a discussion at the end of this, and Michael's going to spend about 20 minutes going through some of the ways that they're incorporating with the market data and some different models they developed into their sector development partnerships.

But we will have plenty of time to hear from you and to ask questions of Michael as well. So with that, I'm going to hand it over to Michael.

MICHAEL BAKER: Thank you for that kind introduction. Welcome, everyone. It's an honor to speak with everyone today. Let's consider this presentation a conversation starter. We are all in this together in trying to improve how we deliver services and how we interact with private sector businesses. The end goal, regardless of what program we're in, we're trying to make all of our communities better and more prosperous. So let's just consider this a starting point for a conversation and try to be as interactive as possible as we go through today. So with that I'm going to jump in.

As many of you I'm sure know, the former workforce program across the country, the Workforce Investment Act, has sunset, has been replaced by the Workforce Innovation and Opportunity Act. And that means greater coordination, greater emphasis on working with employers, and more emphasis on sector strategies.

So we've had the opportunity here in Illinois to be engaged in this in quite a while now. We have I will say more lessons learned than best practices. But that's what happens when you innovate. And the thing about this is hopefully we can share some of what we learned, and what worked well here, and what if we had a redo on we might do differently. And I hope to hear from what your experiences have been also.

So this slide that's up there now, I'm not going to read it to you, but this is a slide that or this statement is how our core partners under the WIOA Act came together on a unifying statement

of what we're all trying to accomplish. So what this says in as nice bureaucratese (sic) as we could come up with, is that we want to be employer driven, meaning employer demand needs to inform how we make our investments, how we focus our attention, and basically at the end of the day is what we're doing value added for businesses.

So those of you who have ever been on the receiving end of interest of the public sector, or you've been part of one of these programs that have gone to businesses and given them the nine most feared words in all of western civilization, "hello, I'm from the government and I'm here to help."

Case in point, we had an employer in one of our regions that announced that over an 18 month period they planned to hire 600 to 800 workers. Well, as soon as that press release hit the ground, every program came out of the woodwork knocking on their door saying, hi, we have something that will help you. We had congressman calling them up, showing up on their doorstep.

And eventually they threw up their hands and said, wow, we cannot keep all of this straight, you all need to go get your act together and come back to us with some sort of coordinated process. So what we want to do is try to get away from that piecemeal approach to engaging employers, to finding a way to allow the employers to come together on their own. And then they can come to us with what they need and speak with a larger voice. And we're going to talk about some of the details of how to go about that and how we can use data to help make that happen.

And Brian, would it be possible for me to share my screen? There's a slide that I thought I'd sent in that didn't make it into this deck that has a chart that I'd love to show folks. But if that's not possible, I can describe it.

MR. KEATING: Yeah. You need to install a small add-in. I'll post that link for you privately. So possibly, but it might take a minute or so.

MR. BAKER: OK. So basically what we're trying to get to is how can we stay engaged with employers without them feeling like they are the running back, and us public programs that are only there to help are viewed as trying to tackle them or slow them down or otherwise put them in a bind. So we want to find a way to get done what we need to get done for our programs, but do it in a way that adds value for them.

So let me try to install this add-in and we'll go from – and my virus catcher is not going to allow that. So that's OK.

So just by virtual show of hands, how many of you have ever said, hey, our program is the best kept secret in our community? I know I hear that a lot from various program folks I talk to. And what we like to do is bring our programs out of the shadow and do things that are value added so the employers want to engage. And we're going to blow through a lot of slides here very quickly. These are just here for reference and to give context to what we're talking about. So if there's time at the end we'll come back to these. And they're also available for download so you can kind of see the context.

Overall what we are hoping to get done from the workforce side is build a talent pipeline, and the education side as well of course. We want to make sure that we're training folks in the right things so that we have a workforce with the right skills for the competencies employers need. And we want to focus on career pathways so that we shift the focus from just getting folks a job, to finding them as best possible job that we can right now, and making them prepared for that.

But also, how can they move up a career ladder as they go throughout the rest of their life, because not everybody can come into our programs, be trained, and start out at a very high skilled spot. Some folks we'd just be able to get them to read and write proficiently, and get them entry level. But then we don't want to forget about them. We want to push them along to the fullest level of their potential and their ability to pursue higher level careers.

So at the bottom of this slide on the career pathway, basically wherever folks are coming into the workforce, at what level and what education they're coming out of, we want to set this up so that if folks need to go into entry level, we can get them to that level. If they're already there, we can get them to mid skilled. And if they're already there, we can get them to high-skilled as they come back into the workforce.

And then once they're in, we can train them through the rest of their workforce life to move up that ladder. So part of this is trying to give you a context for some of these buzzwords like career pathways and pipeline that you may have seen. But if you're kind of new to this, you may not understand what it's all about. So that's just for context.

Here's more conversation about the pipeline here. You look at the sectors on the right-hand side that might be relevant in a region, and then say, OK, what kind of supports, what kind of training and education are necessary to prepare individuals for those demand occupations. And we're going to skip by these. This is basically saying how we're going to try to update services, how we used to provide it, to how we'd like to provide it in the future.

OK, sector strategies have to start with solid data. I recommend BLS data because it's free and it is easily replicated. You can go back to BLS data over periods of time and compare snapshots between now and later, and easily recreate what you've done. There are other data sets out there. Those are fine if you have the money to pay for them.

And our experience has been there may be nuances to all these different data elements that are out there, but by and large they say the same thing. In manufacturing you're going to need machinist, you're going to need welders, and you're going to need machine repairers or mechatronics. Now there's going to be subtle differences here and there depending on where you're at in the country. But by and large no matter where you go, if you have manufacturing in your area, those three occupational groups are going to rise to the top.

The rest of this model I'm just going to go through very quickly because we're going to dive into the details on it as we go forward. But at the end of the day, if we're starting with data to tell us what we should focus our attention on, like where are the opportunities in a region, and then we find a strong neutral intermediary that can act as a conduit between the public programs and businesses. That allows the businesses to come together and decide what they can do together on

a pre-competitive basis. And then that gives them that bigger lever to change how we deliver services.

For instance, if you're running a training program, hypothetically, and one employer comes to you and says, hey I am hiring folks for occupation X, and we're going to hire 10 or 15 people over the next year, I really need a new program set up. Chances are good that with that small a number, the options for you as a training provider to do something specific for that employer are not that great. I'd say can't happen, but by and large you're not going to move a world for one employer for 10 spots, most likely.

However, if those employers came together in that region and spoke with a single voice and figured out that, hey 60 employers all need this, and they approach the training provider with one voice, then it makes more sense and you can see the demand there for the training provider to move the world because you can see that you're helping in responding to a need that is much more widespread. So at the end of the day that's what we're trying to get to, and then our last step in this is make sure you track what happened and set yourself up for the opportunity for continuous improvement.

So how do sector strategies work, how do sector partnerships work? The nice thing is this has been out there for a while, and the data says the sector strategy approach works. It results in improved outcomes both for workers and improved outcomes for employers. And I'm not going to go through the data for you. You can all see it there in the boxes. But what this graph in the circle is trying to represent is all of the public programs, and then finding employer champions that are willing to participate and provide that one voice, and one trusted convener.

That convener could be practically anybody as long as the folks in the region that need to come together trust them. So that could be an economic development person, it could be a workforce development person, it could be a CBO. But the key thing is that everybody trusts that person to be a neutral convener and a neutral party that can facilitate the meetings. So we'll come back to some of the details on this a little bit later.

So let's get into the data part. I like to call this 3D workforce development, data and demand driven. And notice that I have employer in parenthesis there. Here's an example I love to give because I've seen it happen over and over. Most training providers have a revenue stream model that is based on filling training slots, butts in seats. So occasionally the public can get in their head that something is in demand.

Around in my area, I don't know how it is in your places, but around in my area a few years ago heating, ventilation and air conditioning technicians were the rage. And training programs popped everywhere to provide that because there was strong consumer demand for it.

But the problem is at some point the graduates of these programs saturate the local market and the regional market. And there aren't enough jobs for everyone that goes into that training program. So just let me ask you this, if you've got 100 people across a region coming in to various HVAC programs, what happens if there are only 15 jobs in HVAC in that region on an annual basis? What does those other 85 people do?

So what we are trying to get to is, let's see what the data tells us, and what the employers are telling us the competencies they need are, and the quantity and where, when, how many, all that stuff, and figure out what we can do to set up our pipeline for education and training that is more just in time, rather than let's train a whole bunch of people and hope for the best.

And the way we do that to start that conversation is making sure that we're starting with solid data. Otherwise we don't want to fall back on doing something just because that's all we've always been doing or because that's why people are knocking on our doors saying they want to take a certain kind of training.

So what kind of data are we talking about? First and foremost, supply and demand. We have a ton of supply data. Those of us that work in this, supply data is always very plentiful. This is the kind of thing like who is coming out of programs, who's graduating from the high schools, who's earning credentials, who's earning associate's degrees, bachelor's degrees, etc. All schools have that data out there. And the various public organizations that monitor them have that data very much at hand.

But also what's going on in the population? It's very important not to underestimate the power of understanding your population. The biggest most obvious thing is the aging of the American population. Now the great recession bought us a little bit of time. But for the last 10 years we've been hearing pretty constantly the baby boomers are going to be retiring. Well, that started.

We got a little reprieve because some folks decided to work longer after the recession. But sooner or later those folks are going to be leaving en masse. In fact in some areas that's already begun. So that's a very key demographic data element to help you understand what it is you're going to need to be providing to make sure people have the right skills at the right time.

Gender and ethnicity. The whole nation is trending more Latin and more Hispanic. So does that mean we're going to have greater demand for Spanish classes or providing contextualized learning in Spanish? Or some way helping folks that don't speak Spanish natively communicate?

I mean, there are all kinds of policy implications for that one thing that's changing across the country. So when you put all of these things together, there are a ton of moving parts. And the trick is shifting through all of this stuff to figure out what is most important and what is less important, and focusing our energy on what is most value added. So that's the supply side, what are we turning out.

On the demand side, again, the Bureau of Labor and Statistics data complemented by locally gathered data, that's key. BLS data is great, but it only can take you so far. For example, here in Illinois we have a community that has a federal department of veterans' affairs veterans' home and hospital. Well, all the healthcare workers there are categorized as government workers. So when we fill BLS data to that community, they say, well, you're missing a heck of a lot of nurses and a heck of a lot of other healthcare occupations.

And it came to them immediately, oh for some reason all these people aren't counted. It was a very quick conversation to realize, oh all those folks are counted as government workers. So you have to add local knowledge to the BLS data, but the BLS is a great starting point because it is publically available for free and it's pretty much standardized across the country. So you can see how you compare to other areas.

And that is the one thing I wanted to get to. I have a bubble chart I wanted to show you, but we can put that on the slides and you can download it later. If you look at the industries that are growing or projected to grow, you can see that OK this is obviously where we want to focus some attention. But there are also industries out there that may not be growing, but may have a lot of people working in that industry in a region.

So although it's not growing, there are still going to be tons of jobs for replacements. So the trick is figuring out what pieces of the economy where you compare favorably to the rest of the country, like you have a higher concentration of workers in your area than does the rest of the country. That's called location quotient.

So if you have a good location quotient, that means you have a higher concentration of a particular kind of industry or worker in your area than the rest of the country does. And that's an opportunity to form a sector partnership. And again, I have a chart that explains this really well, and you can see that. If anyone has any questions after this, I'm happy to take questions after the fact if necessary.

So part of our supply side approach from the workforce system at least has been, OK, we want to make sure that we are putting folks out there as best we can, but we'd like to get away from what the old train and pray model. We want to get away from the push model and flip that over to an employer led pull model, where they're telling us what the demand is.

So what we need to know from employers to do that better are these things that are listed here. We need to know the what, where, when and how many. And if we know that, sooner rather than later, as public programs we can do a better job of making sure folks have the right competencies at the right time and the right place.

So that's the theory. The problem with theory and practice is that they're actually quite different. So how do we make this happen? How do we go from this kind of chaos where all these different programs are approaching employers saying follow me, to something that's a little bit more streamlined? OK, this graph or this chart messed up on us. Picture this big gray thing in the center as flipped the other way. These are supposed to be funnels.

So on one hand what we're looking at here is a way that through a neutral intermediary – the Switzerland, if you will – you can have one conduit that all these programs can funnel their information to, then they can make that available to the employers. And vice versa; all these employers, if they get together and have a need, they can go to this one intermediary that can then figure out which of these public programs need to be involved and do that in a coordinated way.

So the idea here is just what we've talked about so far, setting it up so that there's greater leverage and greater continuity of service, and better, more streamlined communication between all of these programs and all of these employers. So here are some kind of food for thought conversation starters. But I want to go back here. I'm going to – you know what, I think that'll lead to more danger than necessary.

So here's some advice points for how to approach an employer. Because what at the end of the day you want to get done is, the employers have to figure out what they're going to hang together on, and then work together on a pre-competitive basis to say, hey we all have this particular need, if we can work on this together, the rising tide is going to float all of our boats.

So the trick is identifying those things that the employers are willing to hang together on and decide, OK here's what's important to us. And then they can come and work with the public programs and help move the needle toward things that are going to help them out. So here's my list of advice starters for trying to engage the employers to set that up. And I'm not sure what happened. There are a ton of slides that did not make this final version.

MR. KEATING: Well, Michael, one question that I do have for you and for the audience as well. And if folks have any questions, you can press *6 to unmute yourself. You talked about this employer demand model and also the different labor market resources that you can get to get some push or some baseline information on how your region compares to the others.

What do you do when what shows up in the labor market data doesn't compare with what you're hearing from employers? Have you ever had an example of where there was kind of a disconnect between what was going on in the data and then what employers were asking for? And then how do you reconcile that in kind of the sector partnership construct?

MR. BAKER: That's a great question. Well, the first example is in the healthcare occupation example I gave earlier. Our BLS data said a certain number of healthcare professions were there, and they said there's a lot more than that, you're missing something. And we figured out that government employee nuance that helped us calculate that. But we were dealing with an entity that did polling of its employers every year and they asked them for a two-year projection every year.

So we knew that they had very solid local data. So if someone would come back – and this actually came up in a meeting I was at last week where an individual felt like they had a pretty good solid handle on what the need was in their community, and said why do we need to look at all this data, I meet with businesses every week, and I know what we need. So my response to that individual was, well, you know what you need in your community, but unless you're doing that same kind of meeting all across your region, then you don't have the whole picture.

So while it's important to marry up BLS data with local knowledge and from your businesses, if there's something that's wildly off, either you don't have the whole picture or there's some nuance in the data that we need to figure out. So what – the short answer to that is, if there's a big disconnect there, then everybody has to get their heads together and figure out why.

MR. KEATING: And again, if anybody has anything to contribute to any other similar situations, feel free to press *6 and chime in. Another thing that Michael went over was at the beginning, we saw that sector strategies, solid data was one of the six components that you have listed. You also had a strong intermediary, you also had employers contributing, you also had data at the end to analyze and evaluate what was helpful and what wasn't.

And I guess my question is, when you're talking about some of the labor market data itself, where does it come in in the overall timeline of developing a sector partnership? Do you kind of start with the labor market analysis? Do you bring labor market data to your employers? Do you regularly review with intermediaries? Have you developed some sort of a process or a best practice for the timing of when you review data?

MR. BAKER: Yeah. Well, first of all you should be reviewing data early and often. It's not a onetime thing. It's a continuous thing. But I would recommend starting with data first. Because that will tell you where you should start. And you may find that the data needed to be a little more robust in one area or another and you may have to fine tune it.

But rather than just picking something at random because well that's what we've always done or that's what we think we'd like to do, start with the data to tell you how your area really compares to the rest of the country, so you can start the conversation from a position of strength, and what can we do to bolster our position and take advantage of the assets we already have.

And that's a great question because it segues into some places decide – the economic development folks get together and decide we want to focus on a particular thing, high tech manufacturing, or aerospace, or IT, whatever it is. But sometimes that conversation happens in a vacuum with just saying, OK, this is the next big thing, we want to be in on that.

Well, the much smarter conversation to start with the data that tells you what is your capacity there already, what assets do you have in that sector or that industry already, and are you in a position to get to where you want to be in a year, or is that more like a five-, 10-, 50-year proposition? So the idea is that it will help you start the conversation and be on much more solid ground.

It goes back to that quote, without data you're another person with an opinion. So if you don't like my data, show me your data and let's figure it out. But there is a way to coalesce those things into a data set that everybody can agree on.

MR. KEATING: And I actually want to leave this slide that we have up here and really open this question to the participants. One of the things that Michael mentioned was that there was a wealth – (inaudible) – and there were ways to get access to you, who's kind of coming out of some of the college programs. We do have educational representatives on the phone line today. And I'm curious to hear from the group, have you been able to access kind of the data on people that are graduating from programs in some of the categories that are on the screen? And again just press *6 to unmute your line.

MR. BAKER: And let me throw in a comment while folks are getting ready to respond to that. One of the key things to look at is, OK if we're churning out welders, let's pick on welding because that's a nice common one, if you're churning out welders, but the folks in those programs aren't getting jobs, it is probably due to one or two things. It could be one, it could be both.

Either the employer demand isn't there, so we're training out highly skilled people, but there just isn't enough demand for the jobs. Or we're churning out people that are not trained to the level that the employers in that area need. So they don't see those individuals coming out of the program as being very value added, or they need a whole lot more training in order to be productive for them.

So those are two things you have to look at if you see that the people coming out of programs are not getting jobs like we would hope that they would. Just food for thought.

MR. KEATING: And I see that Christine mentioned that there in Massachusetts there are some data on educational outcomes. Christine, do you mind unmuting yourself and chiming in on the types of data that you're able to access and how you look at it?

MR. KELLY: All right. Again, folks, you can unmute your phone line by pressing *6. We'd love to hear from you verbally. Obviously you can also participate over the chat. And we are uploading an updated slide deck for folks to download as a resource, so you can go ahead and download that now if you'd like as well.

MR. KEATING: And I do want to get at this issue of – go ahead.

MS. : This is Christine. I was just using my mute button assuming that would work. I guess it wasn't.

Well, in Massachusetts we had engaged the New England Public Policy Center for the Federal Reserve Bank of Boston with a quasi-state agency, Commonwealth Corporation, that did some really good labor market analysis by region, that pulled together all kinds of different information on educational attainment across industry sectors, educational attainment, where the profiles of what courses, certificates people were getting, and the degrees, and also a lot of job stuff.

So it was something they did. I guess I wouldn't say it's all real time, but I think we're trying to get now closer to having that kind of real time, especially as we're looking at WIOA and having to report out for our eligible training provider list that kind of information. So I think all states are kind of trying to figure this out.

MR. BAKER: Absolutely. And that approach sounds good to me. It sounds like you're on top of the game there.

MS. : Yeah. It was a really good report. And at this point it's a little dated. But I know Massachusetts is very much interested in being demand-driven. We have a new governor, a new administration. I see Greg – (inaudible) – is on the line; I see him as a participant here. He

works for the executive office of labor and workforce development on business strategies. And so I do know that there's renewed interest in trying to figure this out.

I did also ask a question, I don't know if you saw that in that chat box. I'm not sure if I heard – I know when you opened up you talked about the problem with everybody going after the same employer when major job openings are announced. But even if there aren't major openings, I'm not sure I heard an answer to how you solved the problem of not having all these different programs, partners, agencies, organizations, all knocking on the same employer's door. I'm not sure I heard how you solved that or if you have solved it in your area.

MR. BAKER: OK. Let me go to – it's still messed up in here. But this slide. The idea is if you can set up an employer-led sector partnership that has a neutral convener, and I will give you the model of an organization in Illinois called Vermillion Advantage. They've been doing this for 20 years. And it's to the point now where they have over 60 member employers in a one county workforce area.

And if a program on the left side of the screen there from the state or federal government or local government approaches a single employer, they just say, have you talked to Vermillion Advantage yet. So all these employers funnel all the programs to their intermediary in the middle; and then once Vermillion Advantage is up to speed on it, then they pull the employers together and say, OK, here's an opportunity from program X or agency X.

So the best way is for the public private partnership, to make it employer-led so that it's not driven by any one public program, but it's driven by the businesses. And when they want help, they'll come to us through that conduit. And if we have something for them, we can go to that conduit and then they can provide that information directly to the employer. It works out so much better for everybody because it can eliminate the cross –

MS. : And we have that in our sector strategy programs, and our advanced manufacturing, our healthcare. We have a financial and business service sector strategy in our region and our county. But that doesn't cover every employer. So I guess not every employer – we don't have a sector approach to every single type of employer. So there's still going to be employers who are one stop career system and who are also going to be approached by other organizations for jobs there. So I got you. OK. So understanding –

MR. BAKER: And there is a way to make that better. You can't eliminate it entirely, but there are places – like I know a region in Ohio actually invested money in a Constant Contact-like system, so that all the business service reps from all the various programs would enter information about, OK, I went to employer X today, here's what we talked about, so that everybody can see that.

So that way you have a coordinated approach for outreach and interaction with the employers. But it takes a lot of work. If you don't have a system like that, it's a lot of phone calls and emails to make sure all of the players understand what's going on.

MS. : Right. Technology could help in that regard. I can see that. Yeah. Thank you.

MR. BAKER: So let me go back a slide or two. And we can take other questions as well. But I want to show you this graphic here. So here's how we are looking at the sectors and industries in Illinois to figure out how to focus our attention.

So here's the raw data. The industry is on the left hand side, our base year employment in each of those, the 10-year projection, and then how much of that is going to – the numbers in percent of change. And then the last column on the right is the location quotient. So if you are one or higher, then your concentration in that industry is better or more prevalent than the rest of the country. And if you're lower than one, OK not so much. But that doesn't tell you the whole story.

So this chart I'm showing you now, this has the location quotient on the vertical axis, and the change in employment on the X-axis going to the right. So what we're looking at here is, if you are above the line and to the right of the line, not only are you projected to grow over the next 10 years, but your location quotient is higher than the rest of the country. And the size of the bubble tells us how many people are employed in that sector or that industry across the state.

So you can see manufacturing is right here on that vertical line. So while the location quotient is good, the growth in it is pretty much zero. But that tells us though that we can't ignore it because the bubble's so big. There are lots of replacement opportunities in manufacturing, so even though it's not, quote, growing, it's still something that has lots of opportunity and you don't want to ignore it.

So depending on how the location quotient and the growth patterns play out, you can kind of see where does it make sense for us to focus our attention. So what we've asked our regional folks to do is we provided this information to them on a regional level so they can see, OK our region, here's what looks good, here's what looks like it's mature but we still need to pay attention to, and then here's what is maybe coming up but it's not big enough really to focus on yet.

But this is the kind of thing that is a starting point for everything in this. If you know this, that's where you can start the conversation with a good grounding that you're going to be able to do something that's value-added.

MR. KEATING: That's a great point. And I do want to reiterate that these updated slides, they're available in the little file share box below the screen.

One question that came in was how the neutral intermediary, that intermediary between those two funnels, how do they know which resources or services to recommend to the employer?

MR. BAKER: Well, that's a great question. They have to be active in seeking out public partners. And it's something that develops over time. Ideally that neutral convener, it starts with economic development folks or folks with a background in private sector. But it all basically comes through experience, like anything else. I mean, there's no panacea to say, this is how you would go about it.

But you have to have somebody involved in there that knows who to call to find out information like that. They don't necessarily need to know everything, but they at least need to know where to go to ask the question and be referred to the appropriate program. And over time as they get experience on that, they just get that through experience. Good question.

MR. KELLY: And going back to the question about – or going back to what we were talking about earlier about different sources of supply information, and part of that with that line of questioning was, about are people able to get data on college completers. And I was wondering if anybody who's on the call has access to wage matching data. There's one site which I just posted into the chat which actually gives you economic success outcomes in six states, Arkansas, Colorado, Florida, Tennessee, Texas and Virginia. But not every state has access to that unemployment insurance data or that wage record data and are able to kind of track it back to students.

So I'm wondering if – it's interesting to see how other states and to see how what the one and the five year outcomes are for students that are kind of going through those programs. But as we're looking for kind of these push models and looking at what's some of the different supply data that's available is, can anybody talk about wage record data or some of the ways in which they've found it helpful in their state or their area?

MR. BAKER: While folks are thinking, I have a little bit on that. We use wage record data obviously first to see who's working and where and then how much they're earning, so we can see is training that's being provided setting folks up for long term success. But we also use it to analyze the impact of our incumbent worker training to see after the training has been completed, is the person still at that employer, did their wage go up from point A to point B, and are they showing signs of progress. The caveat with that is, usually incumbent worker training does not directly leads to a pay raise or a promotion. It's getting folks an additional skillset that is important for the job they have.

So it's very difficult to tell if somebody got a pay raise because of the training or because that was the time every year where they get a pay raise. But what it can tell you is, is somebody making progress, earning more money this year than they did last year, and are they showing progress toward successful progress up the career ladder.

MR. KELLY: Can anybody else chime in on that question? Again press *6 to unmute yourself. (Pause.)

MR. BAKER: While we're waiting I did want to point out that the sector strategies does have a recipe to follow. And if you follow the recipe, chances are good you're going to have success. However, if my wife and I are reading the same recipe, her product usually ends up like the picture in the lower left that you're seeing, my product ends up like the one on the upper right.

The trick is getting employers and the public partners in a region to get consensus on the playbook. How are you going to go about the process and then how do you organize industries toward a launch meeting? How do you get CEOs of employers to participate and take the lead

on the effort? Step one and step two are very key. And step two is vital. If you cannot move on until step two is done, if you try to move on before that being done, it will implode.

Because what we learned was way back 10 years ago when we first tried doing this, money was plentiful. Foundations had money, state programs had money. And as long as government programs or foundations were throwing money at it, public programs and some businesses would come together because of the availability of funding.

But when the funding dried up, the partnerships did too. Because the only reason people were there to begin with was they were chasing the money. If you set it up this way where the employers lead it, you don't need any public money at all. Because if they see value in what's going on, they will fund it to make it happen.

Our organization in Danville that I've talked about that is the neutral convener, the businesses there pay anywhere between \$500 and \$5,000 every year to maintain that organization because they see value in it. So there's no public money that goes in to support that organization. Now they get publicly funded grants to do extra things.

But as far as their daily operating costs, they do not rely on any public funding. So that's the key. If you can get the employers to come together and agree on what they can hang their hat on, then you can launch that sector partnership, and they will help keep it going.

So when you pull them together, these are the kind of questions you have to ask them. And you can do this in a 90 minute meeting. And if they can answer these questions and figure out what common things do they have either in challenges or opportunities, figure out what they want to do together, and then figure out how they're going to organize, you've got it made.

I don't want to make it sound easier than it is, but it's not rocket science. It's just not letting the public programs overtake the meeting. When you have this meeting, the public programs need to be there, but we need to be sitting on our hands. We need to let the employers figure it out.

Because say turnover or attrition is one of the key problems that they have. Well, if we go to them and say, well we're looking at this data and it looks like attrition is a big problem here. OK we've pointed that out. But if they come to that conclusion on their own and say, oh hey, we recognize attrition's a problem, it's their problem that they own, and they will be willing to invest the resources and the effort to work with us to address that.

But as long as it's us going, well hey we think this is what the problem is, and we had a program here that can help that, their support and involvement is going to be halfhearted at best.

MR. KELLY: Does anybody have – so we have about seven or eight minutes left. And does anybody have any questions for Michael or for the rest of the group? I think he's done a pretty good job of talking about some important data components, but also just the larger picture about how kind of data fits in. And I hope you had some insight into that. So any specific questions? We can just open up to the room.

MR. BAKER: And while we're waiting, I flipped over to the slide about here's some things you probably don't want to do when you're trying to engage your employers. So if anybody has any thoughts on the dos and don'ts, we can cover that as well. And also just for my own purposes, so we can do this better and brighter and faster here in Illinois, if somebody has an experience that you'd like to talk about on how you were able to do this very successfully or lessons you learned, I'd be happy to hear about it as well.

The one thing about sector partnerships is this bottom item on this chart. This takes lots of work every day. People leave companies, people leave organizations. And if the only contact you had in that organization was the person that left or retired, you're starting over from square one. For this to work and be sustainable long-term, you have to cultivate lots of contacts.

And at the end of the day it's all about relationships. If you have a solid relationship with your businesses, great things can happen. But if they think you're wasting their time or are not value added, they're only there because there's free food.

MR. KELLY: Thank you, Michael. I think it's – I hope people see that while data is a very important component, it's just kind of one piece of it. And relationship building, it could be a pretty helpful factor in that. But there's just so many more pieces to it. I see some people typing into the chat box. And feel free to just kind of press *6. We do still have time for a couple more questions. I do see a question about – let's see, which one I'm going to put in.

MS. : Well, this is Carole Brooks in Baltimore County. I just wanted to say I think you really hit the nail on the head. It was an a-ha moment for me when you said that no public funding was needed. Because I think that has been the impetus for the local workforce system driving things because the funding was coming into each of our separate organizations, and so we were sort of the drivers.

So is there any way that we could see more information about the Vermillion Advantage model? Or is there something that we could look at as sort of a template that we could use in developing that locally?

MR. BAKER: Yes. I'm going to put a link in the chat box. Vermillion Advantage is participating in a national effort called talent pipeline management, which is designed to help employers think about talent like they do the rest of their supply chain, figuring out where the sources of good workers are coming from and how they can improve that pipeline.

There is a profile of Vermillion Advantage on this website within the talent pipeline management section. Vermillion Advantage also has its own website. I think it's just vermillionadvantage.com. But if you Google it, it's in Danville, Illinois. And you can find that as well.

MS. : Thank you.

MR. BAKER: As part of this effort on technical assistance, we developed a sector strategies framework here in Illinois and it's online. And I'm going to find a link to that and I'll post it here as well.

MR. KEATING: I also see another question about leveraging funding and how to approach that, whether it's through a public private agreement, formally or otherwise. And I imagine that could be an entire webinar of its own. But do you have any insight to offer on that, Michael?

MR. BAKER: Yeah. Again if you have relationships, that gets a lot easier. So the trick is establishing contacts in all these other programs. And if you've got a sector partnership set up, that makes it so much easier, because you've got one entity coming to you that can get all the different programs at the table, and you can figure out, OK, who has available funding that can take care of X, Y and Z, and who has funding that can take care of A, B and C.

And maybe there's overlap between the programs. Like for example, I know under WIOA Title I we can pay for supportive services like childcare and transportation costs. In training of course. Well, there are other programs that can pay for training, but can't handle the supportive services.

So the trick is figuring out what is the need, and then who is at the table, what the resources are, and how you can cooperate so that each person pays for a piece of it to spread the money farther. And there's really not a magic bullet to doing that other than getting along with everybody, and when everybody sees either an opportunity or a challenge, everybody picks up the phone and calls everybody else and says, hey, this is going to hit here soon, we all may eventually need to touch this, let's work now to do it in a coordinated way.

MR. KELLY: And the last thing that there's a really good kind of comment/question that came in. I kind of want to end with this one. But basically the question, if we're talking about – and this is Monica from EDLE (ph) – where we're talking about industry lead in sector partnerships, what's workforce's role in terms of being proactive in how sector development strategies are being – if there's so much impetus on kind of letting employers drive the project?

Do you have any kind of closing thoughts on that as a way to kind of frame both the importance of roles like workforce entities like your own?

MR. BAKER: Yeah. My advice on that is going back to this recipe. Workforce and economic development have a lot of groundwork to do in step one and step two. That's contacting the businesses, that is figuring out which sector you want to focus on based on the location quotients and the labor market information and the BLS data.

But then once you decide where to focus the attention, then it's getting those CEO private sector champions that are thought leaders, that when they get involved a lot of other people in the regions say, hey, they're doing this, we need to pay attention to it. And that could be as few as three; it could be as many as 50, depending on your region.

But the work for the workforce team is step one and step two. Then once you have that launch meeting, that's when you just sit back and let the employers get there on their own. Because if

you jump in – this happens to me too, I get so tempted to say, oh, an incumbent worker can fix that; OJT can fix that. I'm so eager to say, we can help you with that.

But you've got to just sit on your hands and stay quiet and let them get there. Because if you don't, it will implode. Because it's just the same old, same old way of doing business. But if you let them get there, they will step up and they will lead it. As long as they see value in doing it, they will invest time, effort and money in it, and they will lead it.

MR. KELLY: Yeah. And I do want to be respectful of people's time. But thank you, Michael, for joining us.

And again this information is available on the bottom of the screen. I want to thank all the participants for your questions and for your engagement because that helps us plan these future sessions. And again this recording will probably be made available sometime next week. You can see Michael's email that's in the chat box.

And we'll be sending out information for our next webinar which will happen sometime in February. So with that, thank you very much for everybody's time including Michael's. And I hope that everybody has a good holiday over the next couple weeks.

MR. BAKER: Thank you, all. I appreciate the opportunity to talk to everyone. And if anybody has any questions, feel free to reach out to me.

(END)