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Between February and November of 2015, the Family Economic Success (FES) Council's "Jobs, Careers & Employability" workgroup convened a series of roundtable discussions that focused on how west-central Minnesota can address the goal of family members building skills that will qualify them to hold better jobs in their communities.

Participating in the conversations were local stakeholders throughout the nine counties of Economic Development Region 4 (EDR 4): Becker, Clay, Douglas, Grant, Otter Tail, Pope, Stevens, Traverse, and Wilkin. Invited to the sessions were a select group including government officials, economic development authorities, business and industry leaders, educational institutions, and more.

This report summarizes the most common feedback and insights gathered during these discussions.

COMMON WORKFORCE ISSUES AND CHALLENGES

Child care, housing, and transportation were the most consistently identified issues that emerged from discussions in all nine counties, and they were almost invariably linked together as a trio of challenges.

Child Care is considered to be a major challenge for families, the key issues being lack of access to reliable care as well as relative affordability. Many licensed child care providers, including the larger centers, have limited space available and experience difficulty maintaining consistent staff. Available "slots" are frequently full and providers maintain long waiting lists. Finding care for

infants is particularly difficult, and some providers must charge families to "hold" spots. Evening or off-hour child care is rare, but this is of particular importance to parents who do shift work and do not always have a consistent schedule. Unique circumstances, such as parents who have children with special needs, have fewer options than the majority of families.

Further, there is a diminishing supply of child care providers in the region and it is becoming increasingly difficult to recruit people into the profession. One county, for example, reported a drop from 40 licensed providers to 28 between 2013 and 2015. The process of becoming a child care provider is daunting to some because they find the requirements and costs of licensing, along with other on-going paperwork and regulations, to be overly complicated and prohibitive. Low pay was also frequently cited as a reason providers do not continue, as wages paid in this region are frequently below the going rate.

Affordability is the second key issue. Families who need the added income that a spouse may bring, or single-parent households who carry the financial burden alone, often cannot afford the cost to have their child or children in child care. Many feel it is cheaper for a parent to stay home.

This issue alone keeps many capable people who want (or need) to work out of the workforce. There is an interesting dichotomy represented in the feedback. Child care is too costly for many parents to afford, yet providers find the compensation to



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be too low to stay in the business. Creative solutions are needed.

Housing: Availability of affordable and diverse housing, whether owned or rented, varies significantly from county to county, and even between communities within counties.

The general consensus was that overall, there is a shortage of income-appropriate places to live throughout the region. Some communities have a low stock of housing, while others have an abundance (but the price overall is too high for the average buyer). In addition, some communities have plenty of affordable housing, but a high percentage of them are old, run down, and “unlivable”. Still, other communities have a decent supply of affordable homes.



Rental properties are not much better. The monthly costs tend to be either more expensive than owning a home, or the availability of appropriate rental units is lacking. In addition, for most individuals and families, building new is not an option due to the high costs of construction. Further, many new developments are geared towards senior housing, leaving a gap for those in the 25 – 40 age group who form the base of the workforce. Hard data on the type and costs of the housing stock in the nine-county region are not currently available, so this is a gap that will need to be studied and addressed.

One of the issues that arose in discussions was that the wages in the region are too low, relative to the cost of the housing, so many low-to-middle income workers cannot afford the housing that exists in their communities. Conversely, some smaller communities have cheaper housing that is desirable, but then transportation becomes an issue since they must commute distances to the places where they can find work. This translates to added economic pressures as fuel and vehicle maintenance costs consume portions of their monthly budgets, as does upkeep on aging homes. Many families cannot afford to move, so they are forced to commute, which leads to the next critical issue.

Transportation in rural areas is of great concern for lower-to-middle-income workers who need to get to jobs outside of their home communities. Many workers commute 20 – 30 miles daily (60 – 70 miles in some areas) from their home community to their place of employment. The reasons for this are layered, including housing costs and location of employers.

Other than personal vehicles, there are only a handful of inter-community and inter-county transportation options available in the region. However, these are limited in their circuits of pick-up locations and in their ability to carry commuters efficiently. For those who must travel daily to another community to reach their job, this poses a real challenge. Commuting to work from Elbow Lake to Alexandria, for example, without a personal vehicle was cited as both cost and time prohibitive.

Families with children who are balancing these multiple challenges — child care, transportation and housing — often struggle to find consistency in their personal lives, which can translate to inconsistency in their work lives. Frequent or last-minute requests for days off or showing up late are just two examples of ways in which this can affect their jobs, making it appear to some employers that they do not care as much as other employees.

Employment Availability vs. Availability of Appropriately Skilled Labor: The general consensus is that there are plenty of jobs available in the region, but there is a mismatch between the skills needed for the positions and the skills available among the labor force. The mismatch is consistently identified among technical, non-technical and professional positions, and is found among both new and incumbent workers.

Though difficulties finding qualified labor is a challenge that can be found in most industries, manufacturing, according to the discussion groups, appears to experience it the most. In addition, there is a growing concern over an



observed lack of “soft skills” or life skills in the labor pool, as well as basic technology skills, which are often necessary for being trained in places of employment.

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Underemployment is another issue, revealing a mismatch between education levels and available jobs. Many job seekers are “overeducated”, resulting in degreed people working in lower level “gray collar” occupations. Similarly, effective job placement for two professional people is lacking—the most common example occurring when one spouse finds employment in the region and the other is unable to find employment that matches their skill set.

Regional Training and Skill Development Conduits:

Are high schools and colleges training young people to be employable? A disconnect exists between secondary and post-secondary schools and the needs of industry, contributing to the mismatch between skill sets and available jobs. Secondary and post-secondary schools are not necessarily preparing graduates with employable skills and readiness for the workforce. In most school districts, guidance counselors have become more socially focused rather than academically and career focused.



More robust advising and career development programs are needed - an effective vehicle for matching graduates with skill sets required in the job market and placing them appropriately. Such a vehicle can assist high school guidance counselors to more effectively prepare students for career choices. In addition, many four-year colleges do a great job of helping students learn to think critically, but there is a similar disconnect between graduates and marketplace needs.

Bringing together employers and educational institutions (those who are producing and preparing the workforce) into deeper partnerships is needed. Post-secondary institutions like Alexandria Technical & Community College, Concordia College, Minnesota State Community & Technical College, Minnesota State University Moorhead, North Dakota State College of Science, and the University

of Minnesota | Morris are strategically positioned resources dispersed throughout the region. They are well-positioned geographically and willing to engage in increased partnerships with business and industry in order to adapt or create programs that can better seed the region with applicably trained workers. It was observed that the two-year programs have been more responsive to these requests than the four-year colleges.

Changing Work Dynamics and Expectations (on both employer and labor sides)

is a strong theme, with multiple layers. There is a shifting conservative and cautious approach by many employers who are hiring more part-time employees (perhaps due to healthcare costs) and short-term contracted workers, giving rise to a “1099 society”. This creates issues for job-seekers who are looking for full-time, long-term employment with benefits at a single company.

Employers are also struggling with generational gaps and shifting expectations on the part of the labor pool. Many employers are struggling with how to understand and manage the “millennial issue”, which deals with the difficulties (real and perceived) associated with employing a generation of workers born between the 1980’s and early 2000’s, and who are now in their 20’s and 30’s. The longevity of millennials in a job is three years, on average, and many have expectations of receiving higher wages with more perks right away. This appears to employers — particularly those of older generations— that millennials have less willingness to “earn the rewards”, demonstrating a weaker work ethic and less value for the job.

This gives rise to the perception that this generation, as a whole, is more transient with less loyalty toward their employers. But there may be other social and economic factors contributing to these and other trends that need to be explored. As a September 3, 2015 article from the Herman-Hoffman Tribune covering the roundtable discussion in Grant County pointed out:

“When the now-aging baby boomers were that age, the older generation often characterized them as “lazy hippies” who didn’t want to work. Well, the baby boomers came around, and most ended up just like their parents with regular jobs and long-term careers, having families and buying homes.”

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Though there are generational gaps to overcome, millennials have unique talents that can be advantageous to employers, if properly trained and mobilized.

New expectations are not exclusive to millennials, however. Other workers are expecting benefits such as more personal time off (PTO), flexible hours, and the ability to telecommute. The concern of some employers is that the increased expectations of employees who “want the golden egg from day one” without committing to longer term employment and working hard enough to earn it, is an unsustainable trend.

The rise of more contracted workers and employee requests to telecommute demonstrates a strong potential for growth in telework, but it is also exposing a rural technology infrastructure gap. The availability of broadband in lower-population density areas is limited and the quality is inconsistent. But, use of broadband is increasingly necessary for everything from telecommuting to training. This will be an essential tool for attracting and equipping younger employees to the region and for accommodating some aspects of the changing work environment.

Are employers ready? There is a general need to train management in how to better respond to employee needs and requests, and adaptability appears to be the key. Those employers who are able to look at the generational issues through a new lens, effectively navigate the changing expectations and “bend”, will get the workers.

Employers who are willing to train new employees, while incorporating flexibility and “creativity” in work conditions and structure will have an advantage over those who prefer to maintain more rigid structures and only expect employees to adapt to them.

Strong Healthcare Presence: There is a strong healthcare presence in the region with an abundance of jobs. However, there is a shortage of people pursuing careers in key positions. Attracting public health nurses, licensed practical nurses (LPN), and nurses who work in detox facilities is particularly difficult right now. Further, many LPNs are moving into registered nursing (RN) careers, which is creating even more of a shortage of LPNs.

Certified nursing assistants (CNA) are also important aspects of the healthcare environment, particularly when it comes to the growing elder-care industry. In addition to retirement homes and assisted living facilities, there is a growing need that many employees have to care for their aging parents. CNAs can play a critical role in meeting this need, but wage levels make it difficult to attract and/or retain them.

Re-Thinking Outdated Paradigms: This includes both educational and work paradigms. There is a need to overcome the perception that two-year degrees or credential programs are “less valuable” than four-year degrees (which often come with heavy student debt).

Removing the stigma of traditionally “less desirable” professions such as manufacturing, child care, those in the service industry, and others, must be a priority in order to encourage those inclined toward these necessary positions to pursue and remain within them.

There is a struggle to find “service” level employees right now. Attracting and retaining these workers is a highly competitive environment, as many employees will move from one job to another

for only a few cents per hour increase. Plus, some industries have changed with the times and no longer reflect the environments and practices of the past.

For example, perceptions around manufacturing is that it is “dirty work” with a dead-end future, but this is no longer the case. Many manufacturing companies offer livable and even highly competitive wages with benefits that exceed some white collar positions which require four-year degrees.

More career awareness around the manufacturing industry is necessary.

Refugees and Foreign-Born Workforce Pool: There is a growing pool of skilled (and/or potentially skilled) workers who are new immigrants or are refugees that have been resettled in Minnesota. The potential for this growing foreign-born workforce includes a range of possibilities from entrepreneurship to providing a labor source for service sector jobs that have struggled to recruit and retain employees.

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Employers who are willing to train new employees, while incorporating flexibility and “creativity” in work conditions and structure, will have an advantage over those who prefer to maintain more rigid structures.

Other positives cited included increasing enrollment in local schools while contributing to more vibrant and diverse communities. However, this group will need attention and systemic supports in order to become fully and effectively integrated into the labor force.



Some of those support needs include: English as a Second Language, visa assistance, social / cultural integration, housing, spousal employment, child care, transportation, and training. One challenge involved with providing some of these systemic supports is that language differences place an added demand on staff and frequently spreads them thin as a result.

Resettlement is another challenge in some parts of the region, since there is no public funding for secondary refugees (migrants who were resettled in one state and decided within a few months that they want to move on to another state). Frequently, the children of refugee parents who settled in the U.S. need assistance integrating into society and developing marketable skills.

Employers in the region need fresh options for recruiting and training foreign-born workers and understanding possible challenges.

COMMON IDEAS, SOLUTIONS, AND OPPORTUNITIES

Addressing the above-described issues spawned a variety of ideas and considerations, from general to the specific. The consensus of all discussions was that diverse community sectors need to come together collaboratively in order to work out “creative solutions” if these issues are to be effectively addressed.

Child Care, Housing and Transportation

Employers are increasingly motivated to help address child care barriers, which they may not have seen as their concern in the past. Partnerships between business, industry and educational institutions to promote the profession of early child care may be one part of the solution to increasing the supply of providers.

Taking a more holistic approach to employment, such as considering how to support whole families, was also suggested. Some private companies are looking into employer-based child care and how incorporating it as a benefit might impact employee recruitment and retention. The public sector is also wrestling with this issue as child care is a major expense for government employees, and department heads in one county have been meeting to find a solution.

There are some positive initiatives and creative solutions currently underway in the region that may provide examples and models to inform regional planning and implementation.

In the area of child care:

- A Fargo-Moorhead workforce study recently prompted the formation of groups to research and find viable solutions to issues like the child care gap.
- A First Children’s Finance child care project will address rural child care issues by developing regional child care plans in partnership with rural communities, creating business tools to sustain local partnerships, and establishing advisory councils to support the implementation of the plans.
- Child care assistance is available from counties, which can help alleviate some of the affordability burdens. But too often, those dollars go unspent at the end of the year. Family services took action to move unaccessed child care sliding fee funds back to child care needs in counties with waiting lists, rather than allowing funds to flow back into the state’s general fund.
- A partnership between Early Head Start and Children’s Corner Learning Center in Otter Tail County is adding a second child care location in Fergus Falls and launching a new center in Pelican Rapids. This will increase available spots for child care, but there is concern that

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they may not be able to fill to capacity due to staffing shortages. Finding qualified teachers continues to be a challenge.

In the area of housing:

- In Stevens County, a housing development at the old Morris Elementary School site will provide a variety of housing options that are not targeting a single constituency.
- Douglas County has been building low-income apartment buildings, which are being rapidly filled.

In the area of transportation:

- Otter Tail County financed a bus to transport people to work at KLN Family Brands, as well as to other businesses in the county.

Employment Environment / Workforce Development

At the most fundamental level, employers will need to adapt and expand their strategies for recruitment, hiring, training and retention.

Early recruitment will be increasingly important, including finding ways to connect with students prior to their post-secondary education. Employers are recognizing the importance of giving high school students work experience in their industry prior to students making their post-secondary choice, and some are even sponsoring students through their secondary education.

The healthcare industry is increasingly opening its doors to students and attempting to create pathways to employment. They are providing internships and scholarships, and are also working with high schools to offer certified nursing assistant (CNA) training. Some facilities have reached out to two-year colleges to assist with recruiting.

Though drawing and developing young people is important, attracting, employing, and retaining a more diverse constituency of workers such as foreign-born and older workers will also help balance out the labor pool. Being willing to train new workers as well as provide re-education options for existing workers will be important,

as will finding ways to meet some of the unique needs associated with these two groups.

To accommodate the different work groups and adapt to the changing expectations of the workplace, employers will also need to be more flexible and creative in the work conditions they offer (allowing for telecommuting, four-day work weeks, flexible hours), and their benefit packages (which may include more options for personal time off and even child care).

Bringing together students, schools, and business/industry into meaningful, mutually beneficial partnerships will be a key strategy to more effectively prepare people for the workforce, while ensuring that employers have access to a larger pool of well-trained and “skilled up” workers.

For example, high schools will need to increase their “vocational focus” by incorporating more opportunities for students to connect with and become involved with

area employers through activities such as career days, bringing in guest speakers from local businesses, and facilitating internships. Schools contain the critical mass, and they should take on a “grow your own” approach toward retaining these students by “selling the local community” and its career opportunities to them.

At the post-secondary level, as stated earlier, educational institutions in the region can and must play a critical role in delivering creative solutions to key issues surrounding workforce develop-

ment. Alexandria Technical & Community College (ATCC), Concordia College, Minnesota State Community & Technical College (MState), Minnesota State University Moorhead (MSUM), North Dakota State College of Science (NDSCS), and the University of Minnesota | Morris are all strategically positioned resources dispersed throughout the region, and each can play a unique role in partnership with business and industry to develop fresh solutions.

Several of these regional resources have been proactively engaging business and attempting to design or redesign education and training offerings that will supply

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and benefit regional needs.

For example, NDSCS is entering into contracts with employers to train people in needed skills. ATCC and MState have local training programs available and are bringing training and education that focus on workplace skills to business and industry. They are also exploring English—language skills in the workplace, which will be important for addressing issues with foreign-born workers. UMM is giving students work experience opportunities, which helps them engage with the community.

In 2014, MState increased customized training by 85% and received a grant for mobile learning labs. They have also designed shortened programs in nursing, and are working on accreditation. In addition, MState would like to explore “other areas” such as learning more about the skills needed in IT, so they can design more applicable training. There is a standing invitation from the college president to bring innovative training ideas to the college for consideration.



While the two-year colleges have been the most responsive to adapting their programs to accommodate workforce needs, the four-year colleges can also play a critical role. They are valuable resources that are well-equipped to perform key studies that will provide essential data necessary for designing regional solutions. These partnerships will be essential for promoting technical skills in demand throughout the region and for promoting the paradigm shifts that are needed surrounding educational and work expectations.

By working collaboratively, these sectors can help

“spread the word” about well-paying jobs that do not require four-year degrees (and their associated four-year debt). They can help upgrade the image of manufacturing and other “blue collar” jobs such as auto mechanics, HVAC, and other service sector careers that are necessary for creating livable and attractive communities, but have struggled to keep employees.

For example, Riverview Dairy in Stevens County recently hired a local teacher who will focus on educating area high school students about agriculture and employment opportunities in the field. They also hired someone to teach Spanish to their employees since they employ a large number of Hispanic people, many of whom do not yet speak English.

Collaborative effort will also be necessary for addressing business infrastructure needs such as broadband availability and access. With the potential for telework to expand and play an important role in attracting workers to the region, there is great need to continue building the backbone and structure that will make it consistently available throughout the region.

CONCLUSIONS AND NEXT STEPS

The nature of the issues identified by participants in these roundtable discussions are diverse and tightly integrated. All nine counties are experiencing similar barriers and issues, but with unique distinctions that are characteristic of their geography.

A Regional Approach to Addressing the Issues

The overwhelming response from those involved in the roundtable discussions was that taking a regional approach to addressing workforce issues was highly favorable. There is a groundwork of regional thinking already laid throughout much of the region.

For example, Douglas County is moving toward county-wide efforts in its Economic Development. Pope County communities have been pro-actively coming together across boundaries and sharing resources through the “Positively Pope” initiative. The Chambers of Commerce in Pope County have also been having discussions around workforce development in the county.

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There were no objections to taking a regional approach. Only the following caveats:

- Some territorial issues do still exist that will need to be overcome. Plus, there may be some fears that the “major hubs” will swallow up the smaller communities. These will need to be carefully addressed.
- Counties have many of the common issues emerging, yet there are differences that need to be considered when identifying and applying solutions at the local level.

The next steps recommended by discussion participants was to continue convening people from throughout the region and present the results of these initial discussions.

Based upon suggestions made, potential concrete topics to begin discussion could include all or any of the following:

- Regional housing study
- Regional child care study
- A regional review / study of high school career development and guidance counseling programs
- Facilitating partnerships between business and education to develop creative and practical solutions to workforce needs
- Developing a comprehensive approach for marketing what is available in the region to potential employees
- Other topics drawn from the discussions

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