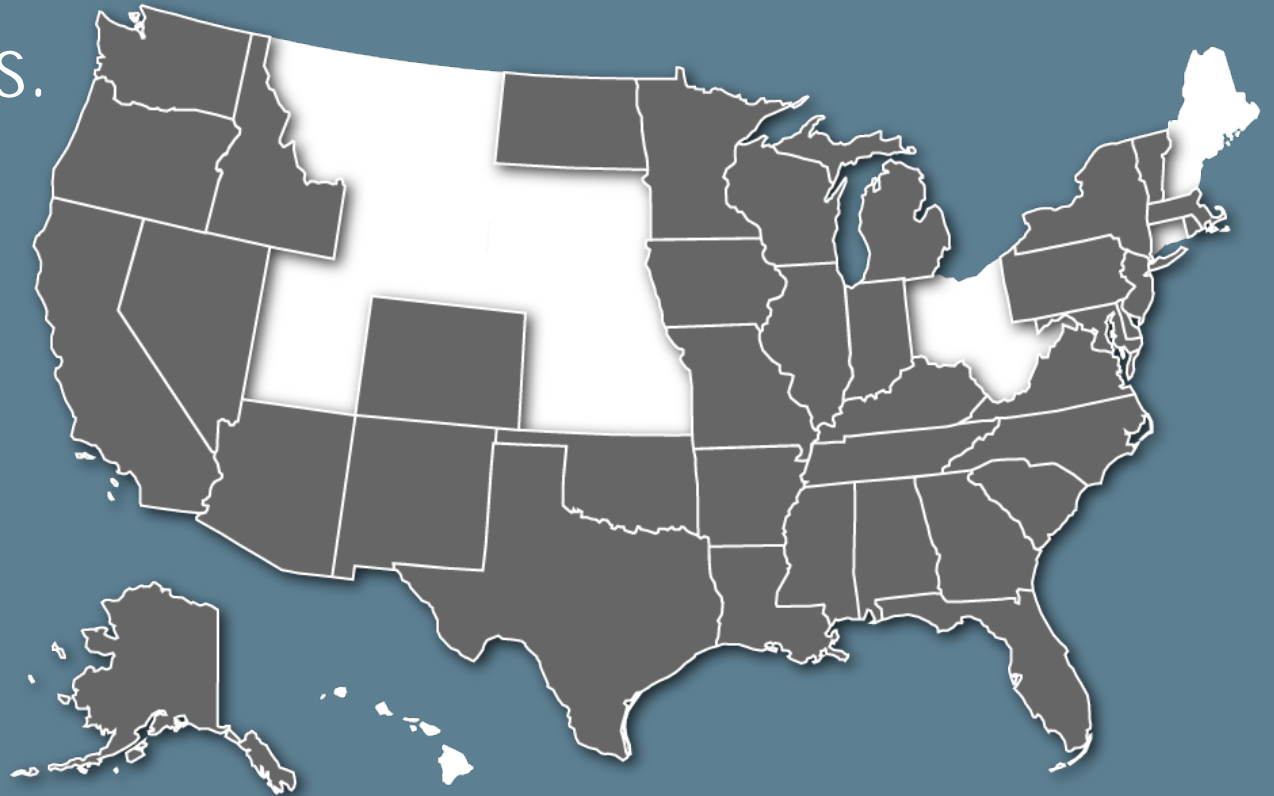# 1

INTRODUCTION

THEORY INTO PRACTICE

we design strategies that will
support your community's
vision for the future

We have over **20** years of experience in over **200** unique communities, across **38** states & **4** countries.

WHO IS TIP STRATEGIES?

FOUNDED **1995** (OVER **20** YEARS OF EXPERIENCE)

THREE PRINCIPALS WITH A TOTAL **STAFF OF 11**

COMMITTED TO **HOLISTIC** THINKING & **SUSTAINABLE** DEVELOPMENT

AUSTIN & **SEATTLE** OFFICES WITH **GLOBAL** REACH

SERVICES

STRATEGIC PLANNING

WORKFORCE ASSESSMENT

ECONOMIC ANALYSIS

CURRENT & RECENT PROJECTS

Austin, TX – Workforce Strategy Master Plan

Auburn, WA – Economic & Retail Development Strategy

Bismarck, ND – Target Sector Analysis

Delaware Business Council – Economic Development Strategy

East Michigan Council of Governments – Center of Excellence Strategy

Fort Campbell, KY – Regional Economic Diversification Strategy

Green Bay, WI – Economic Development Strategy

Irving, TX – Economic Development Strategy

Massachusetts Development Authority – Defense Industry Diversification Strategy

Minneapolis-St. Paul, MN – Core City Districts Strategy

Montgomery County, MD – Economic Development Strategy

South Carolina I-77 Alliance, SC – Labor Analysis

Washington Military Alliance - Defense Industry Diversification Strategy

West Kentucky Workforce Board – Workforce, Sector, and Economic Development Strategy
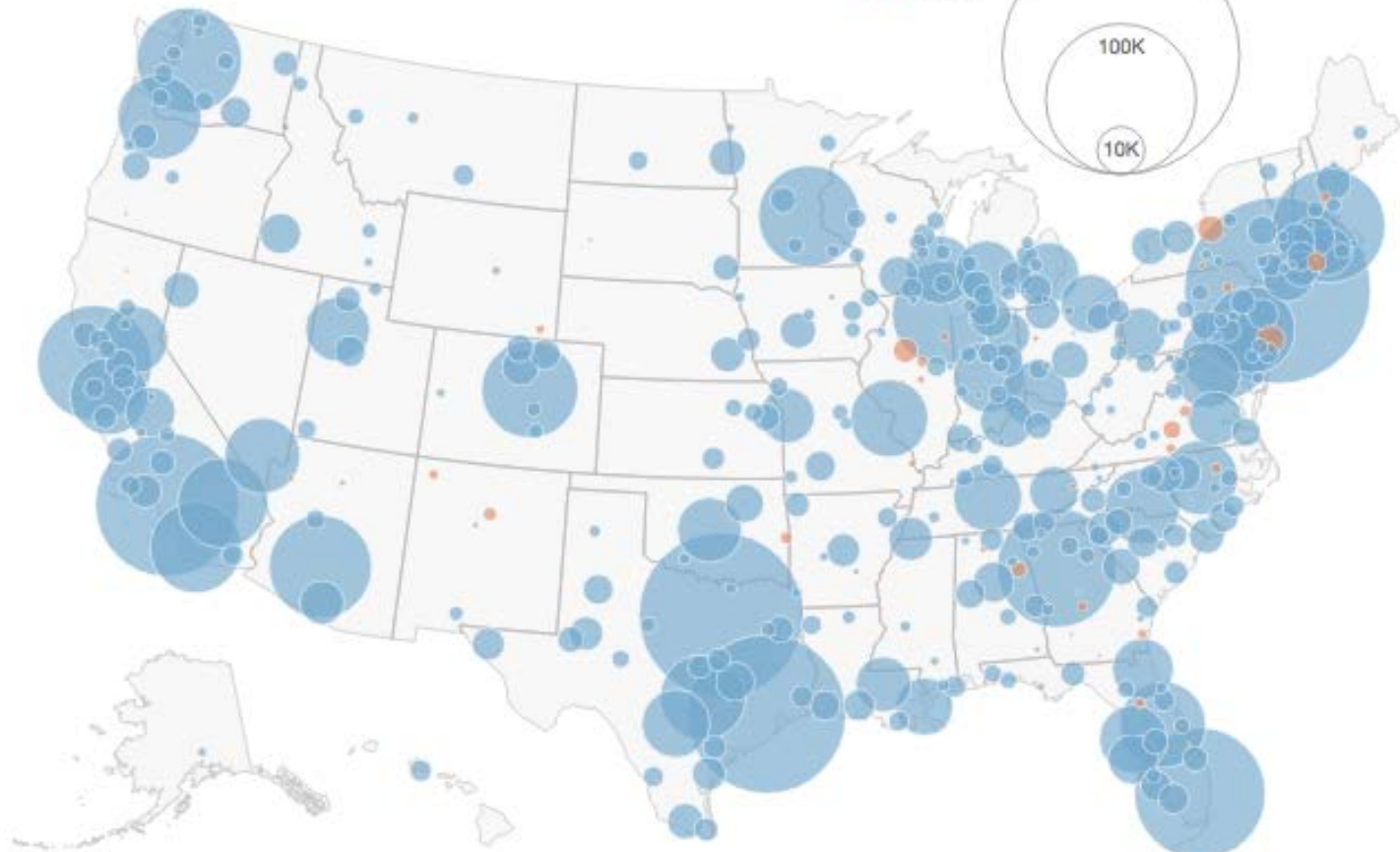
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NATIONAL TRENDS
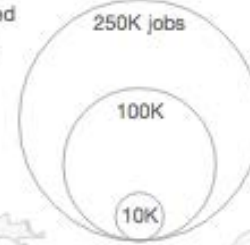
The Geography of Jobs

Net Job Gains/Losses by Metropolitan Statistical

12 months ending on:
JUL 2014 ▶

'99 '00 '01 '02 '03 '04 '05 '06 '07 '08 '09 '10 '11 '12 '13 '14 Jul 2014

- jobs gained
- jobs lost

250K jobs
100K
10K

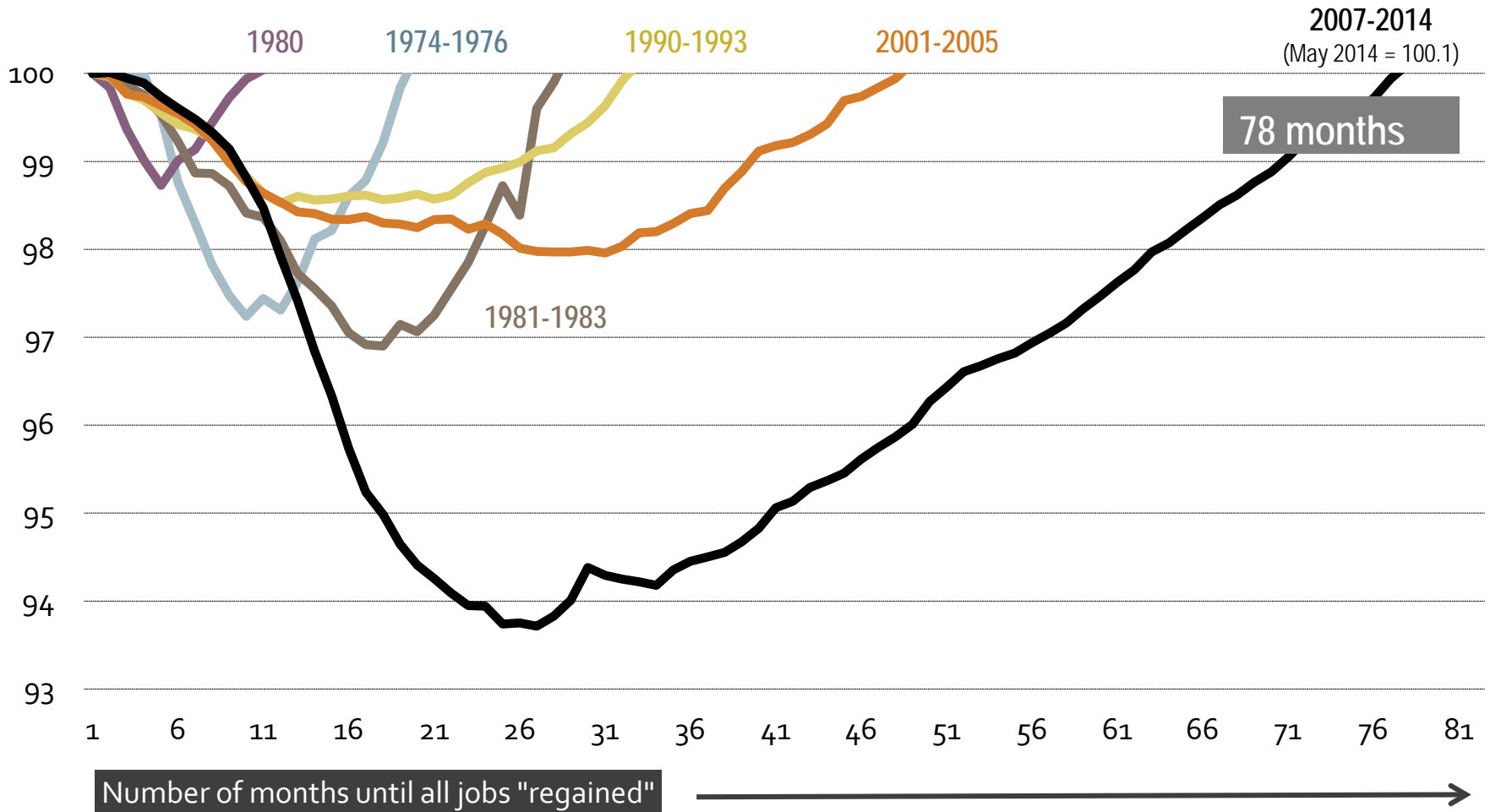axismaps

Recessions Compared

RECESSIONARY EMPLOYMENT TRENDS
Peak employment = 100

Sources: U.S. Bureau of Labor Statistics, Current Employment Statistics (total nonfarm employment, seasonally adjusted); NBER (recession dates); New York Times (format)

THE GEOGRAPHY OF RECOVERY

Cumulative Change in Employment Since the Beginning of the Great Recession

JUL 2015 ▶

Dec 2007   '09   '10   '11   '12   '13   '14   '15   Jul 2015

Change in employment since start of recession

● jobs gained   20%
● jobs lost   5%

US share of 2007 employment: **103%**

Metro areas **at or above** 2007 employment: **198**

Metro areas **below** 2007 employment: **120**

Source: U.S. Bureau of Labor Statistics, Current Employment Statistics; TIP Strategies

axismaps
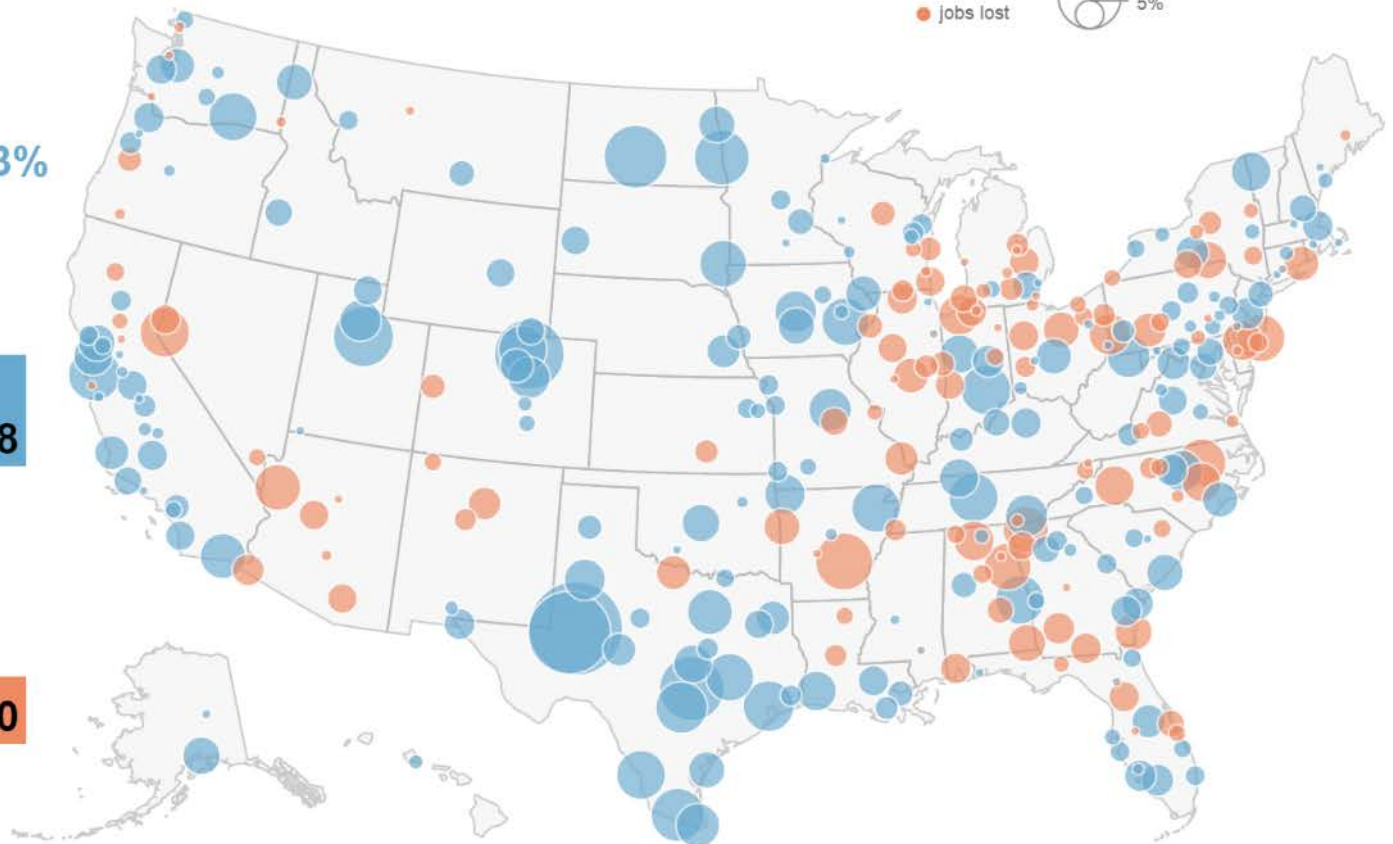
A JOBLESS RECOVERY?

COMPARISON OF REAL GDP TO EMPLOYMENT
2008 to 2015, cumulative change since 2008

Our economy reached
pre-recession production levels with
6.7 million fewer people.

15.0%

10.0%

5.0%

0.0%

-5.0%

-10.0%

-15.0%

2008   2009   2010   2011   2012   2013   2014   2015

GDP   Employment

Source: Bureau of Economic Analysis, Bureau of Labor Statistics.
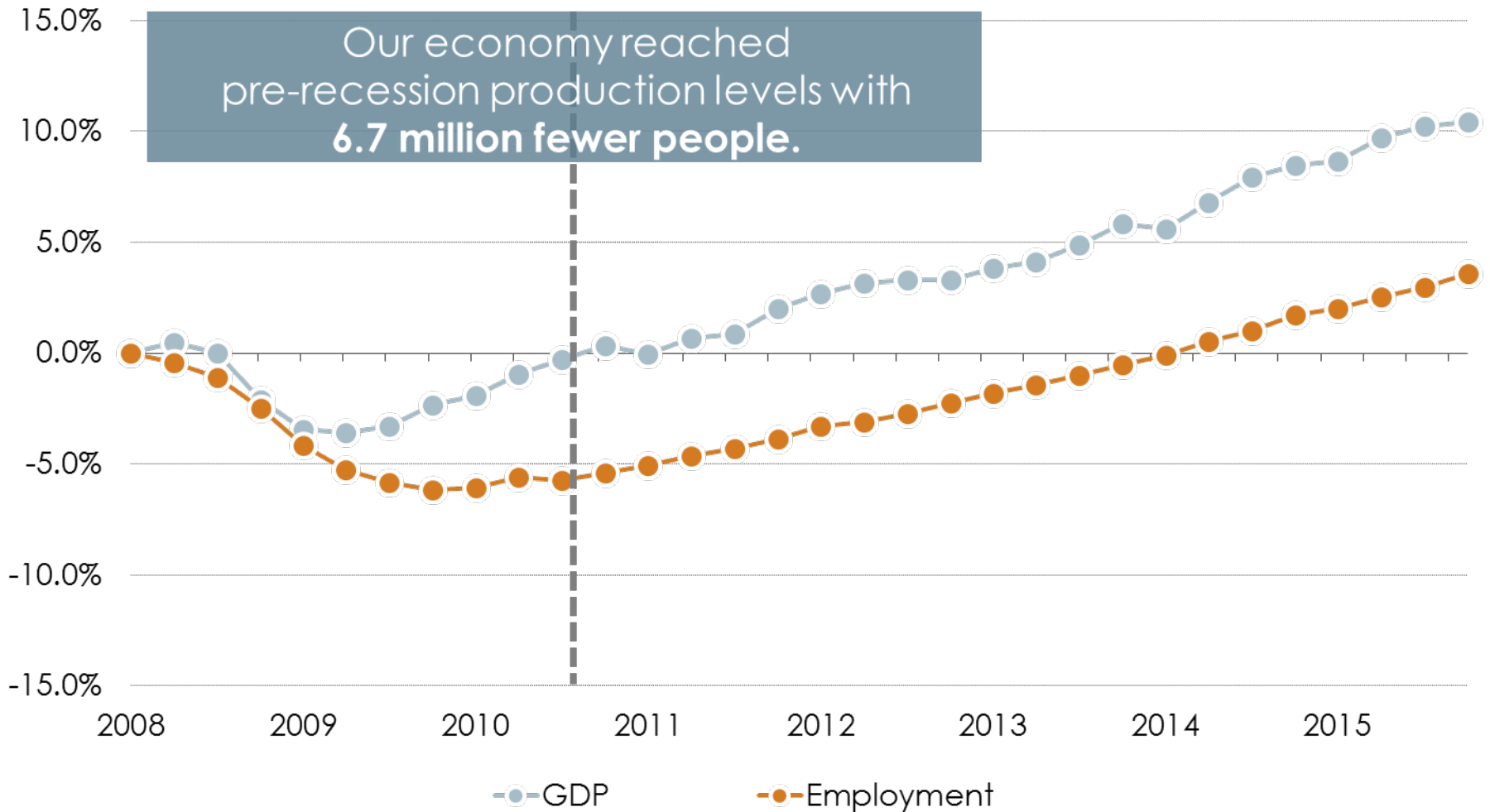
THE HOLLOWING OUT OF THE MIDDLE

OCCUPATIONAL GROWTH BY WAGE LEVEL
2007 to 2015, indexed to 2007

Low, +4%

High, +3%

Middle, +0%

It is not just that the economic divide in America has grown wider; it's that the rich and poor effectively occupy different worlds, even when they live in the same cities and metros.

- Richard Florida in SEGREGATED CITY: The Geography of Economic Segregation in America's Metros

Current Shale Plays
Stacked Plays
— Shallowest/Youngest
— Intermediate Depth/Age
— Deepest/Oldest

Prospective Shale Plays

Basins

Source: Energy Information Administration

Crude Oil Prices

GLOBAL PRICE OF WTI CRUDE DAILY, NOT SEASONALLY ADJUSTED

4/29/2011
$113.39

10/17/2016
$49.97

2/11/2016
$26.19

Dollars per barrel

UBER

MAKE GOOD MONEY.

Got a car? Turn it into a money machine. The city is buzzing and Uber makes it easy for you to cash in on the action. Plus, you've already got everything you need to get started.

DRIVE WHEN YOU WANT.

Need something outside the 9 to 5? As an independent contractor with Uber, you've got freedom and flexibility to drive whenever you have time. Set your own schedule, so you can be there for all of life's most important moments.

NO OFFICE, NO BOSS.

Whether you're supporting your family or saving for something big, Uber gives you the freedom to get behind the wheel when it makes sense for you. Choose when you drive, where you go, and who you pick up.

Driverless Vehicles

Driverless Store?

Amazon unveils smart convenience store sans checkouts, cashiers

Originally published December 5, 2016 at 6:31 am | *Updated December 5, 2016 at 8:45 pm*

The new Amazon Go convenience store will be opening soon at Seventh Avenue and Blanchard Street in Seattle. Customers will be able to scan an app on their phones, grab what they want and walk out. Charges will... (Steve Ringman/The Seattle Times) **More** ∨

CHANGING DEMOGRAPHICS

PROJECTED NET ANNUAL CHANGE IN THE US WORKING-AGE POPULATION

COUNTER FORCES
- Advancement of retirement age
- Relaxed immigration restrictions
- Technology reduces employment needs
- Out-sourcing of labor to cheaper markets

2027
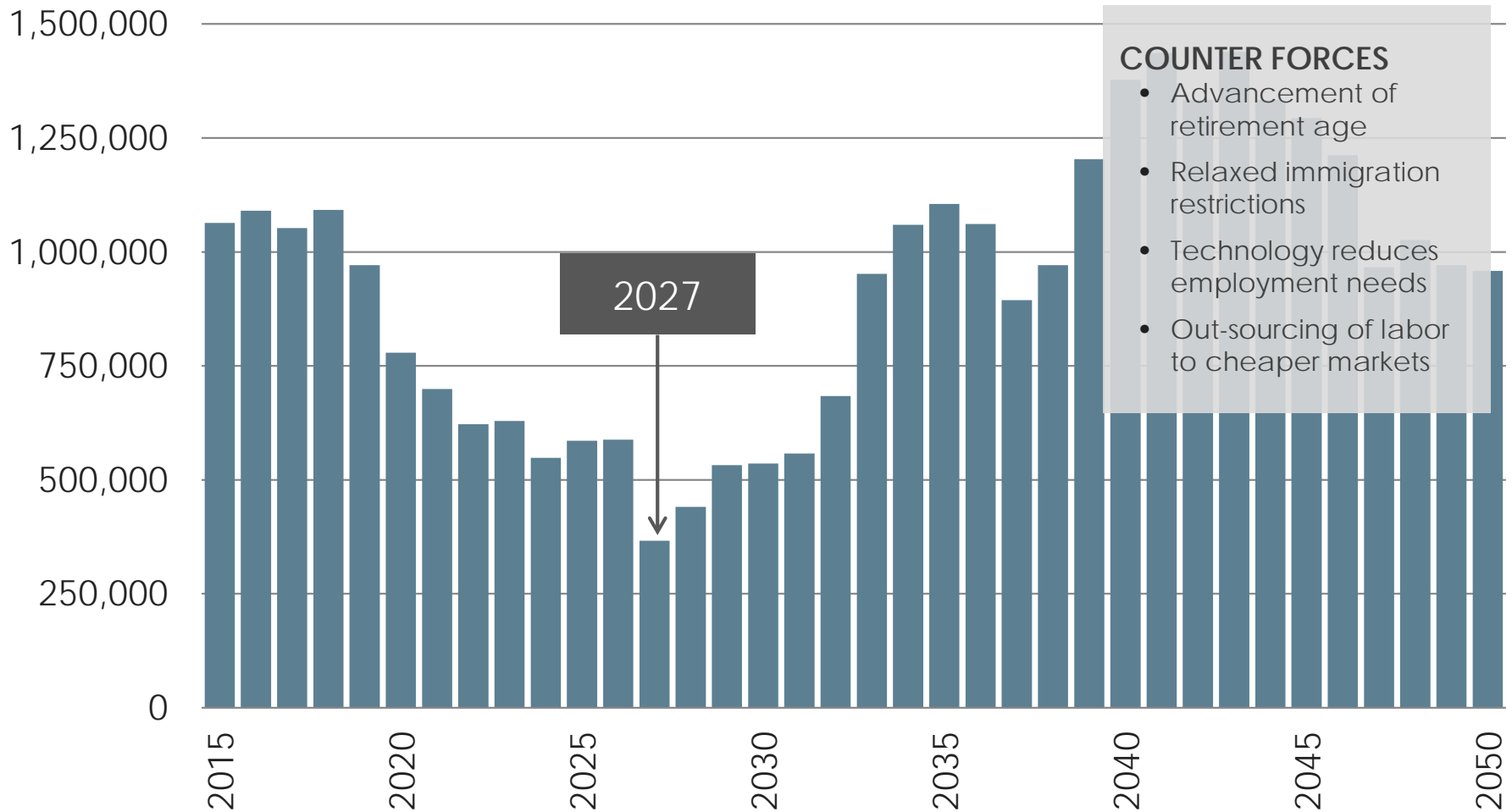
Sources: TIP Strategies, U.S. Census Bureau (NP2014_D1)

"Working-age" defined as 18-66 (average planned retirement age based on April 2014 Gallup poll.

EVIDENCE OF TALENT SHORTAGE

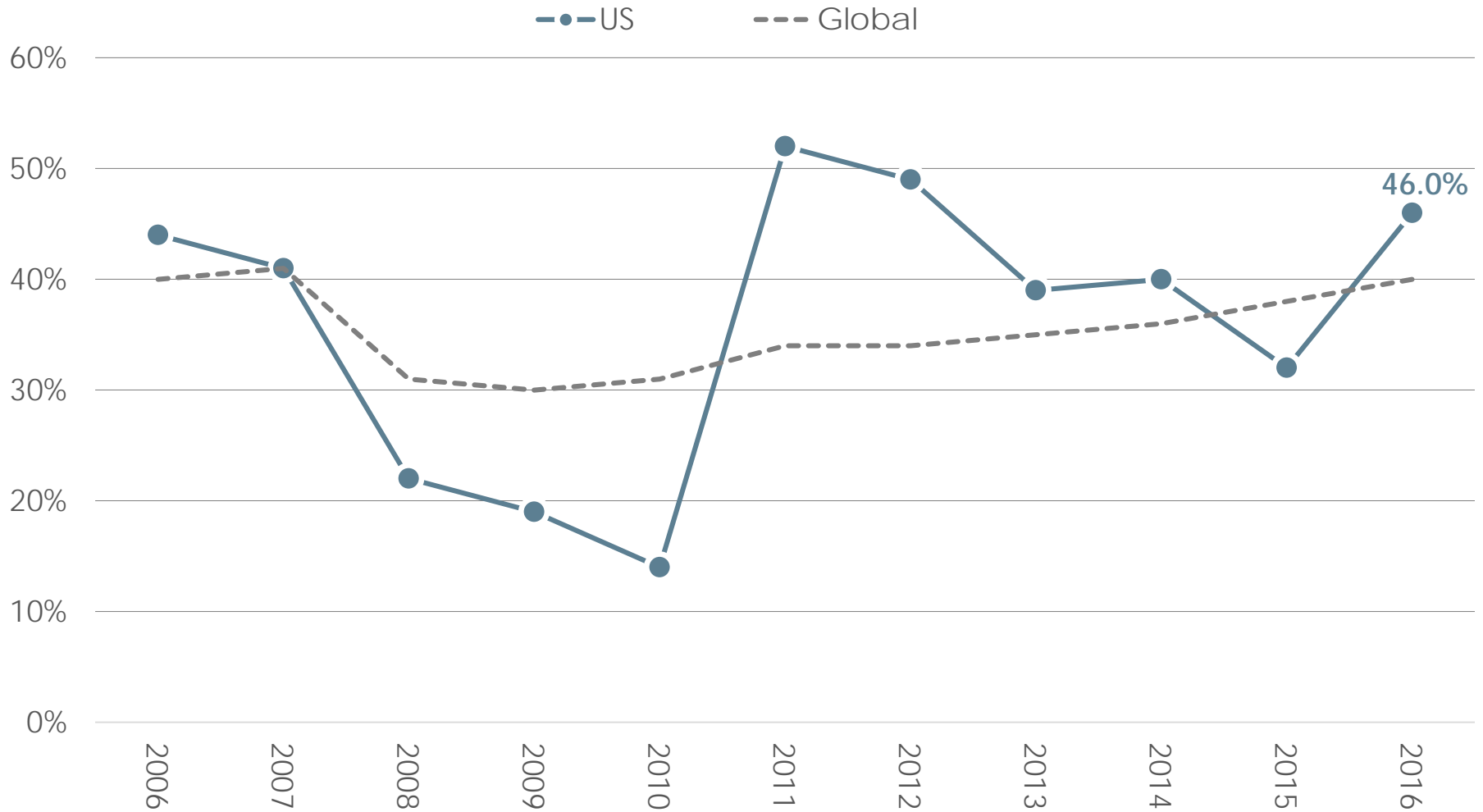**PERCENT EMPLOYERS REPORTING DIFFICULTY FILLING JOBS**
2006 to 2016

Source: Manpower 2016 Talent Shortage Survey.

TOP 10 JOBS EMPLOYERS ARE HAVING DIFFICULTY FILLING

GLOBAL

1. Skilled Trades
2. IT Personnel
3. Sales Representatives
4. Engineers
5. Technicians
6. Drivers
7. Accounting & Finance staff
8. Management / Executive (Management/Corporate)
9. Production Operators/Machine Operators
10. Secretaries, PAs, Receptionists, Administrative assistants & Office support staff

UNITED STATES

1. Skilled Trades
2. Drivers
3. Sales Representatives
4. Teachers
5. Restaurants & Hotel staff
6. Accounting & finance staff
7. Nurses
8. Laborers
9. Engineers
10. Technicians

Source: ManpowerGroup's 2016 Talent Shortage Survey

DEMOGRAPHICS

SCREENING

WAGES

AUTOMATION

POLICIES

Talent Gap?

CULTURE

EDUCATION

TRAINING

IMAGE
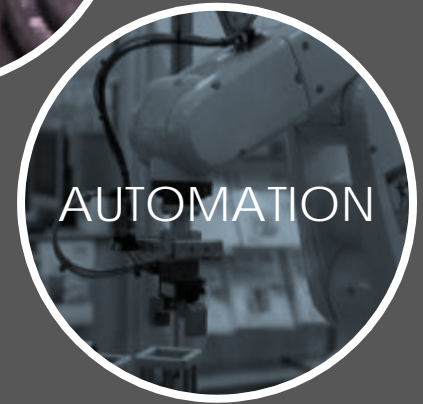
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TALENT 2.0

PROJECT OVERVIEW

- A workforce strategy for the Fort Collins-Loveland MSA (Larimer County)
  - Based on good data
  - Grounded in stakeholder input
- Led by Fort Collins Area Chamber of Commerce with consortium of partners:
  - City of Fort Collins
  - Larimer County Workforce Center
  - Northern Colorado Economic Alliance
  - Loveland Chamber of Commerce
  - City of Loveland
  - United Way

THEORY INTO PRACTICE PLANNING MODEL

DISCOVERY
labor analysis
program inventory
stakeholder input

OPPORTUNITY
workshop
best practices
strategy dev

IMPLEMENTATION
workshop
metrics
tools

STAKEHOLDER INPUT

- Input from about 50 employers
  - Manufacturing
  - Healthcare
  - Construction
  - Technology
  - Corporate HQs
  - Public sector
  - Various others – waste services, distribution, engineering, marketing & graphic design

TOP 10 ZIP CODES WHERE LARIMER COUNTY EMPLOYEES LIVE
2014

Metropolitan Statistical Area (MSA):
Larimer County

Laborshed:
Larimer + Weld Counties
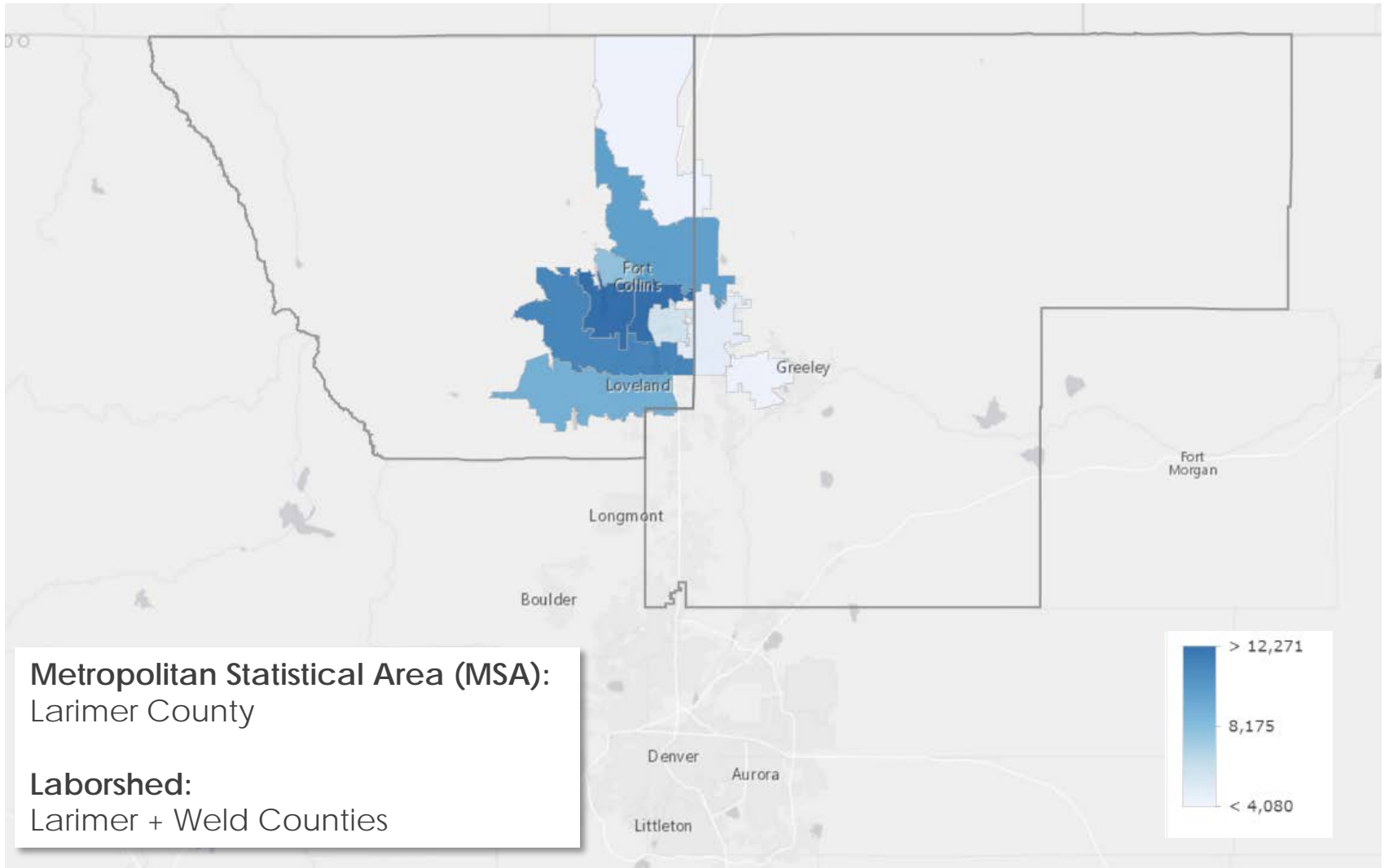
CHALLENGE #1
Currently, some employers cannot find the talent that they need. Instead, they are working existing employees harder, choosing not to grow, or expanding in another community.

JOB GROWTH

TOTAL EMPLOYMENT, LARIMER + WELD COUNTIES
2006 TO 2015

+43.4K

243.0

240.1

283.5

Thousands

400

300

200

100

0

2006 · 2007 · 2008 · 2009 · 2010 · 2011 · 2012 · 2013 · 2014 · 2015
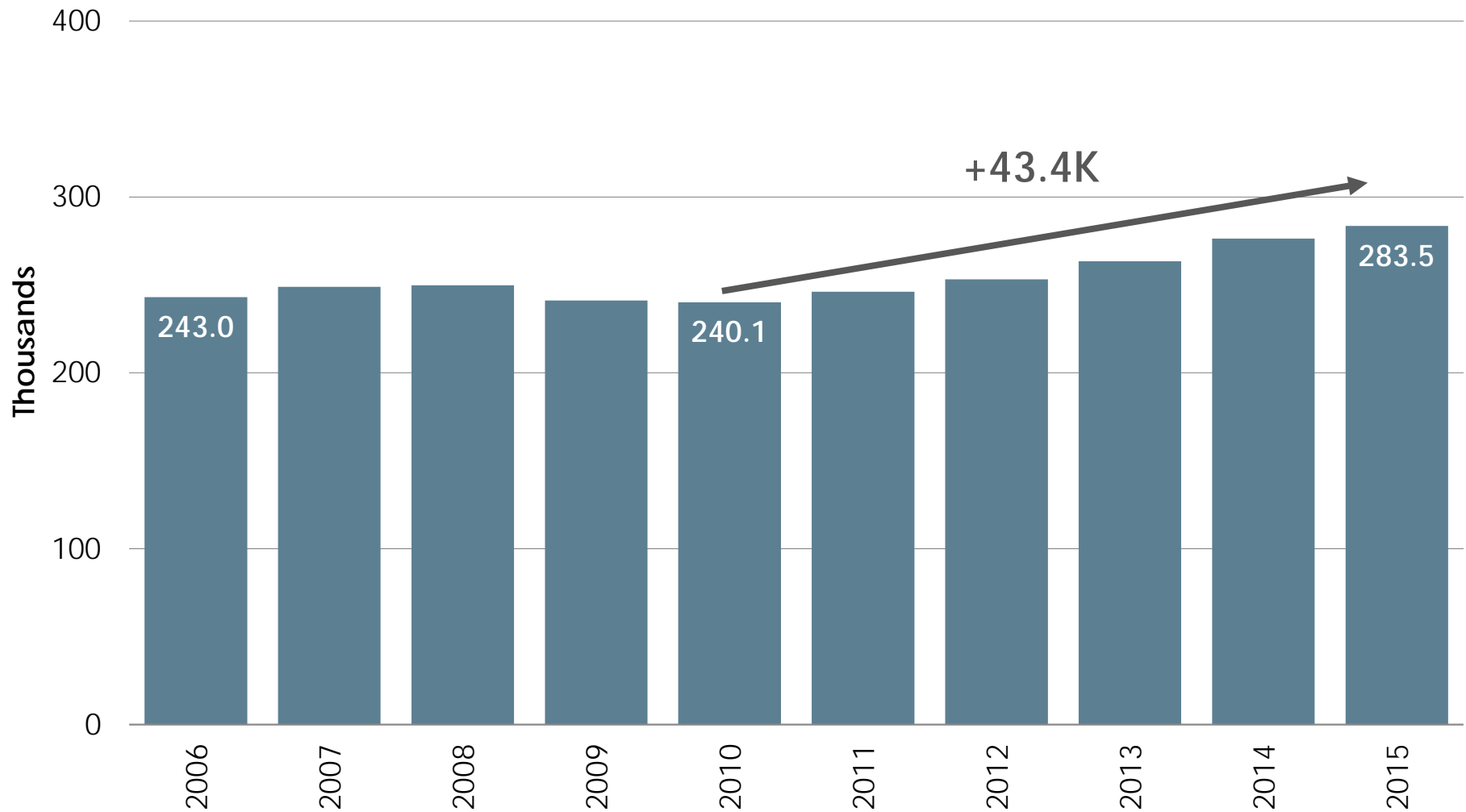
LABOR FORCE

CIVILIAN LABOR FORCE, LARIMER + WELD COUNTIES
2005 TO 2015

+27.1K

284.3

300.6

327.7

Thousands

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

Sources: U.S. Bureau of Labor Statistics via Moody's.
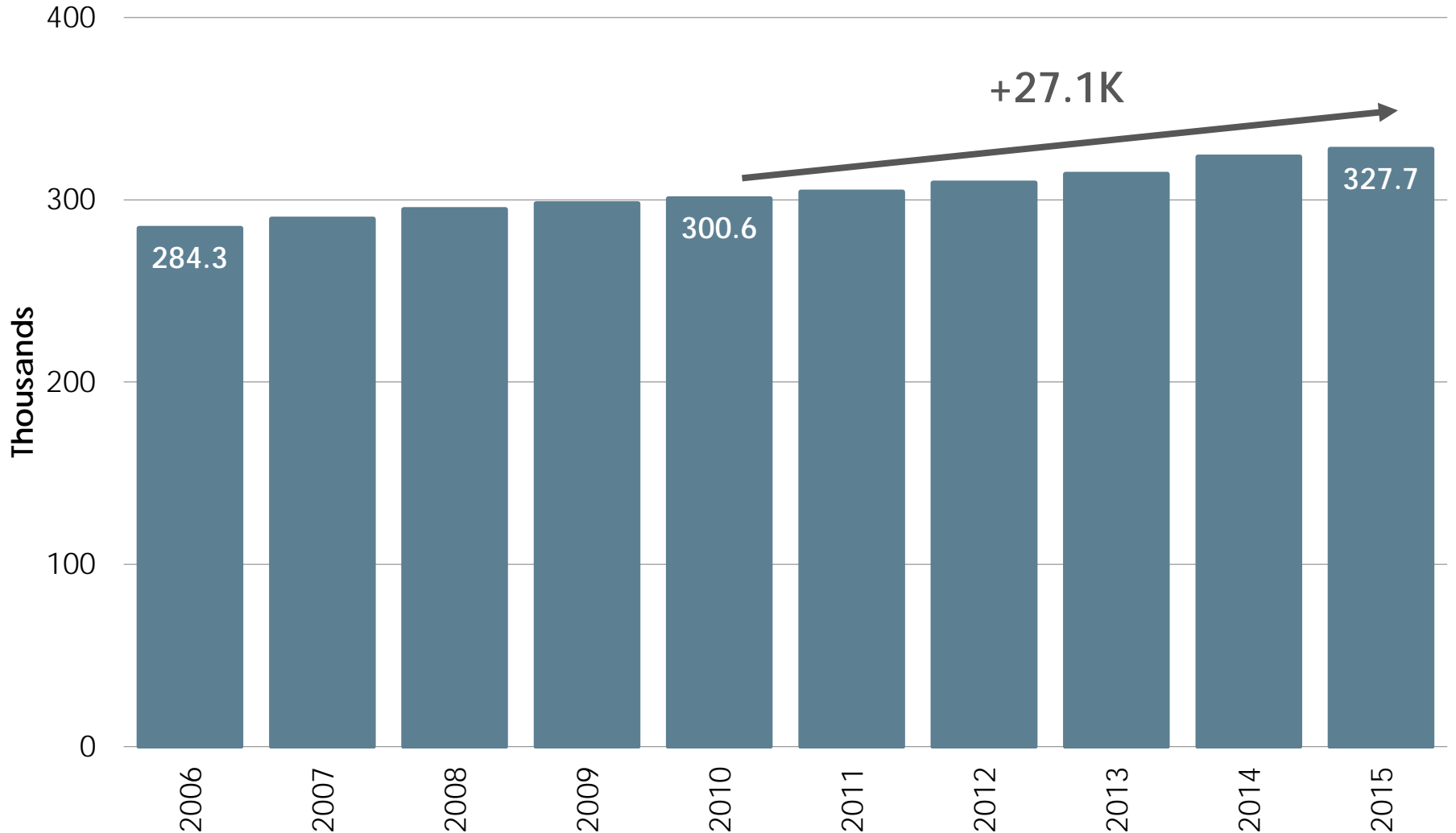
UNEMPLOYMENT

COMPARATIVE UNEMPLOYMENT, AVERAGE ANNUAL RATES
2006 TO 2015
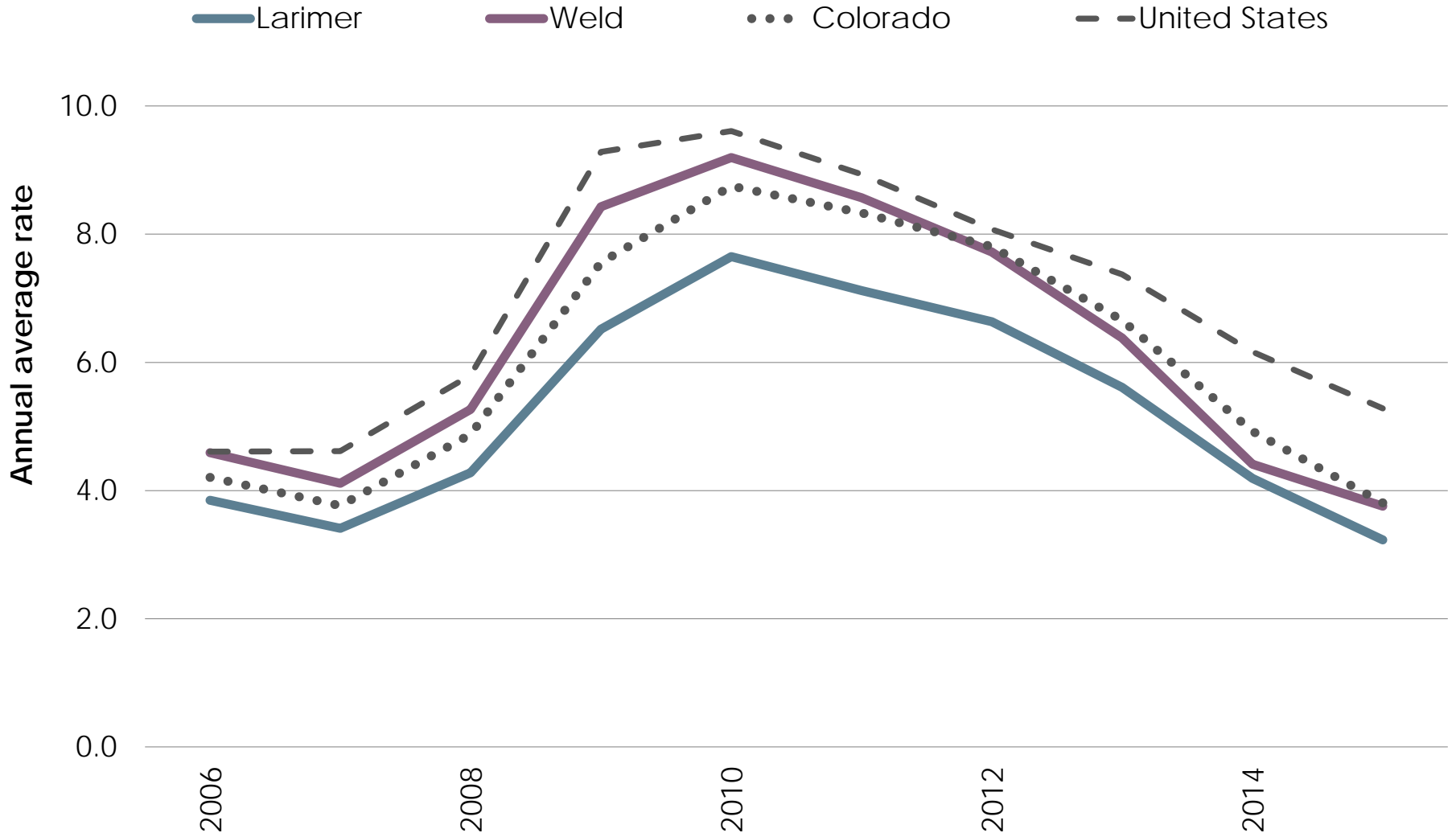
Legend: Larimer — Weld — Colorado ••• United States – –

Y-axis: Annual average rate (0.0 to 10.0)
X-axis: 2006, 2008, 2010, 2012, 2014
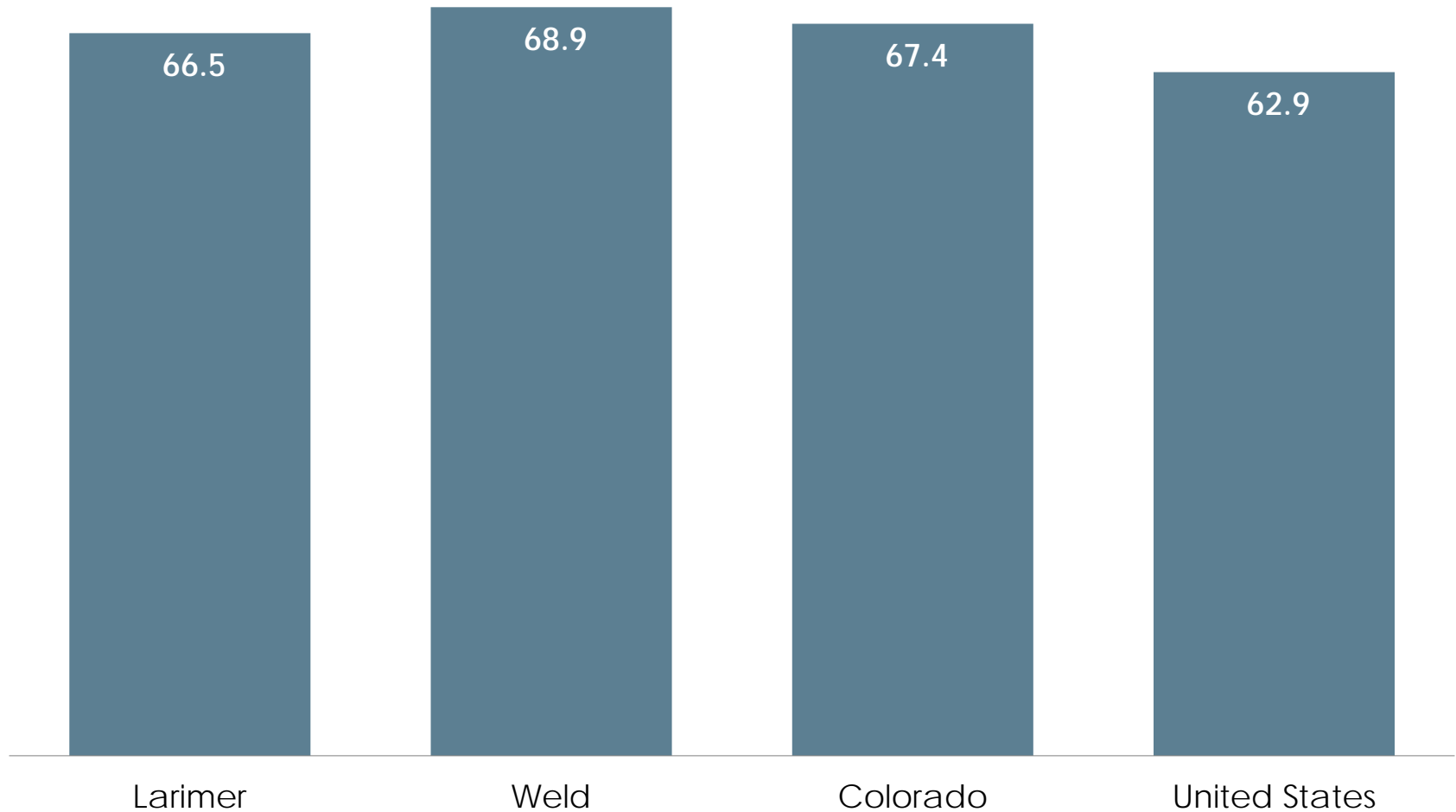
RECRUITMENT CHALLENGES

- Difficulty attracting:
  - Talent from Denver and from coasts
  - C-Level executives
  - Young professionals
- Reliable workers to fill jobs with high physical requirements – warehouse, waste collection, construction laborers
- Workers that can pass the drug test – most often fail due to marijuana use
- Low-wage services – food services, housekeeping

RETENTION CHALLENGES

- Underemployment means that overqualified workers are always looking for a better job
- Generational expectations
- Young professional gap

PIPELINE CHALLENGES

- Awareness of resources

- Employer engagement & input

- Finding instructors – nursing, computer science

- Student choices
  - Awareness of non 4-year opportunities
  - Choice of majors at CSU and UNC

MOST POPULAR MAJORS

TOP 25 LARGEST FIELDS OF STUDY,
3-YEAR AVERAGE

Legend: ■ Associates or less ■ Bachelors ■ Graduate Degree

Horizontal axis scale: 0, 200, 400, 600, 800, 1,000, 1,200

- Liberal Arts and Sciences/Liberal Studies (24.0101)
- Business/Commerce (52.0101)
- Nursing Assistant (51.3902)
- Kinesiology and Exercise Science (31.0505)
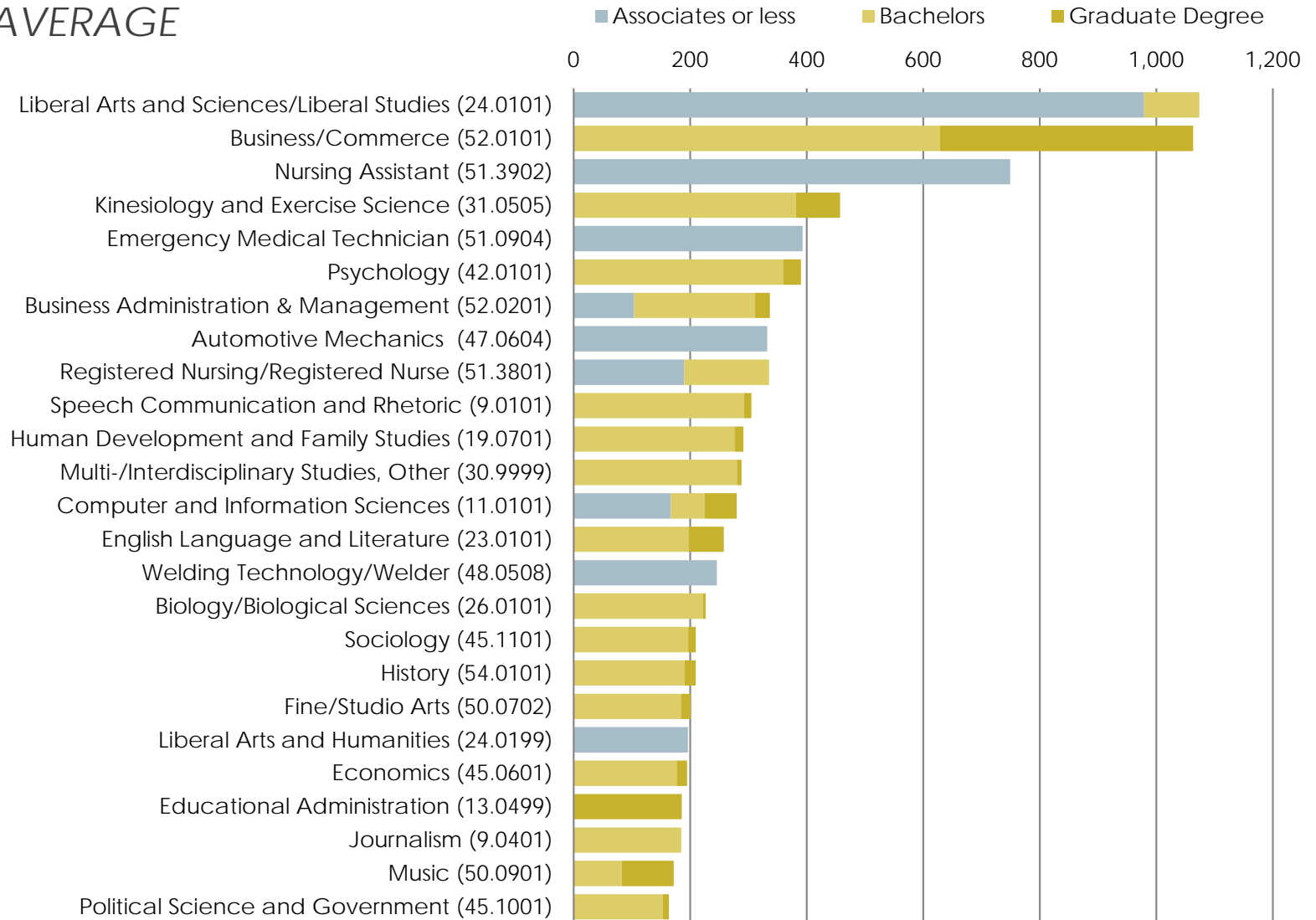- Emergency Medical Technician (51.0904)
- Psychology (42.0101)
- Business Administration & Management (52.0201)
- Automotive Mechanics (47.0604)
- Registered Nursing/Registered Nurse (51.3801)
- Speech Communication and Rhetoric (9.0101)
- Human Development and Family Studies (19.0701)
- Multi-/Interdisciplinary Studies, Other (30.9999)
- Computer and Information Sciences (11.0101)
- English Language and Literature (23.0101)
- Welding Technology/Welder (48.0508)
- Biology/Biological Sciences (26.0101)
- Sociology (45.1101)
- History (54.0101)
- Fine/Studio Arts (50.0702)
- Liberal Arts and Humanities (24.0199)
- Economics (45.0601)
- Educational Administration (13.0499)
- Journalism (9.0401)
- Music (50.0901)
- Political Science and Government (45.1001)

STRUCTURAL CHALLENGES

- Housing affordability at all income levels
  - Purchase & rental
- Quality childcare for affordable prices
- Transportation / mobility: traffic makes Denver farther away

CHALLENGE #2

Over next 5 years, employers will have at least 55,000openings to fill. The labor force adds only about 4,000 to 5,000 workers each year. As a result, the labor market will likely tighten further unless population growth accelerates.

PROJECTED DEMAND

EMPLOYMENT BY SKILL LEVEL, LARIMER + WELD COUNTIES
2016 TO 2020

**+55,000 OPENINGS
(13,700 each year)**

■ New
■ Replacement

Low
15,461
11,619

Middle
9,420
8,047

High
5,412
5,030

Sources: EMSI.
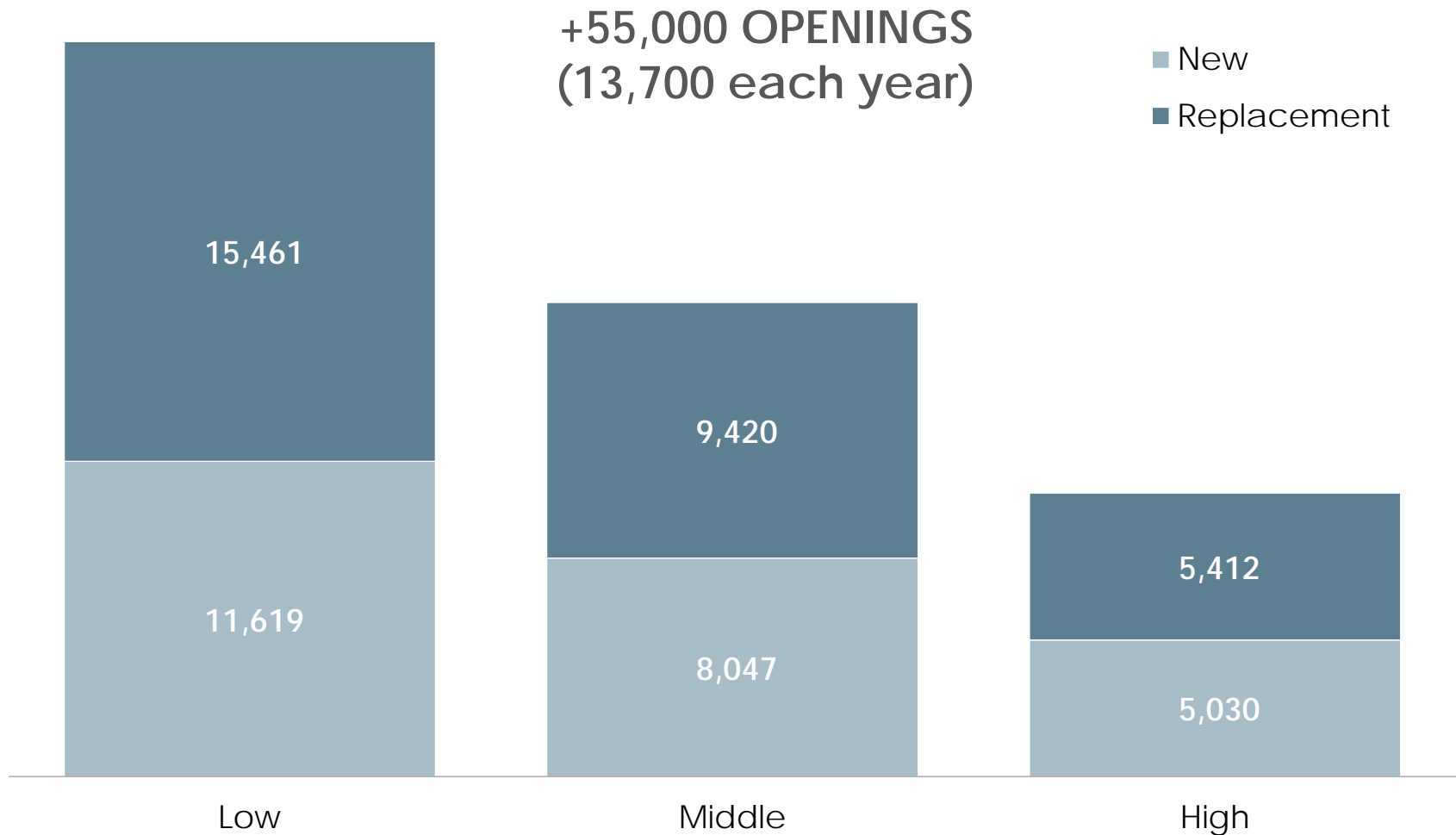
CHANGE IN LABOR FORCE

CHANGE IN LABOR FORCE, LARIMER + WELD COUNTIES
Year-over-year change, #
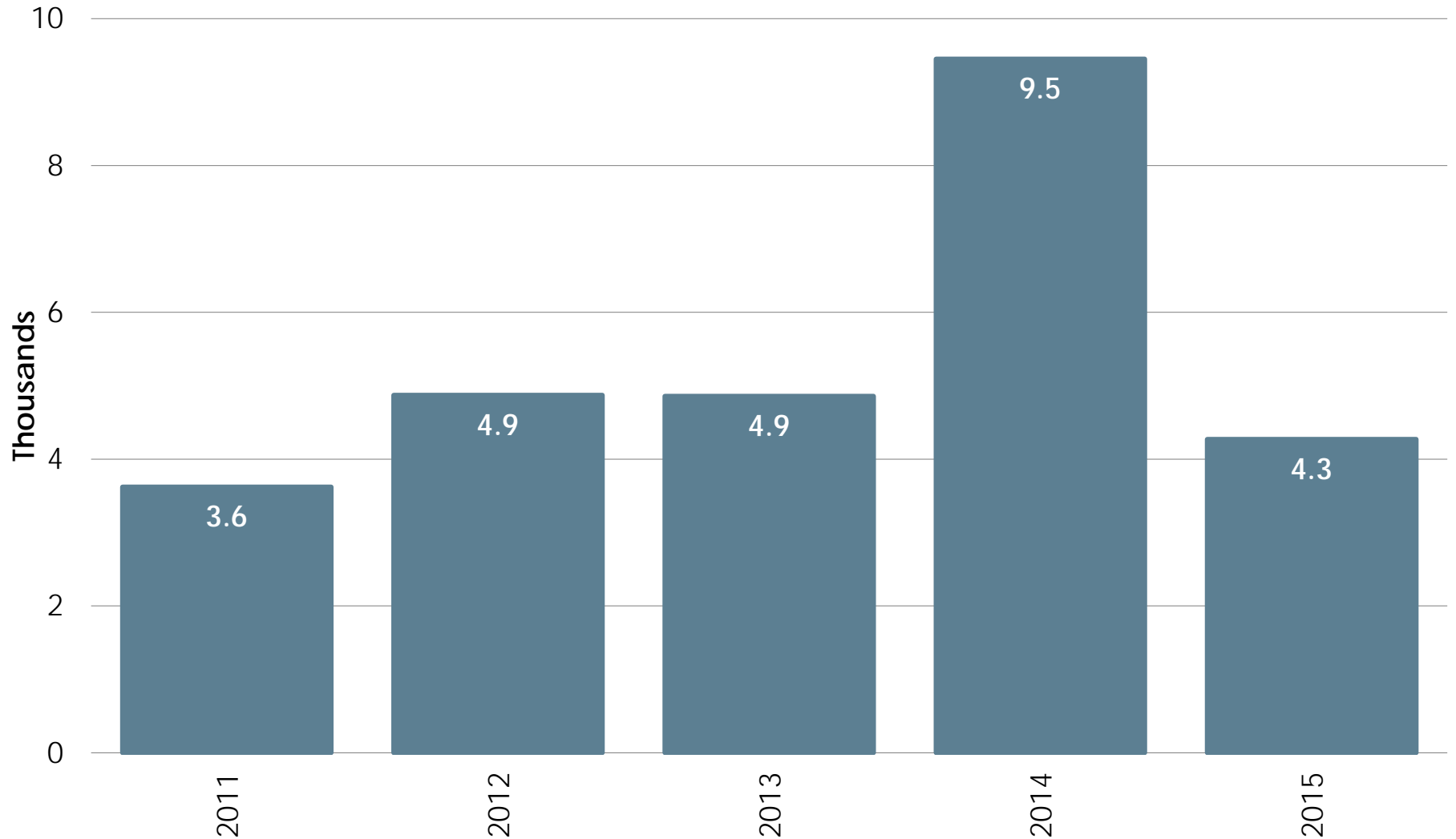
POPULATION GROWTH

POPULATION PROJECTIONS OF RESIDENTS 25+, LARIMER + WELD COUNTIES
YEAR-OVER-YEAR CHANGE, 2015-2020

■ Working Age (25-64) ■ Senior (65+)

Year	Working Age (25-64)	Senior (65+)
2016	7.4	3.8
2017	7.6	4.2
2018	6.3	4.4
2019	7.3	4.5
2020	7.4	4.5

Y-axis: Thousands (0, 2, 4, 6, 8)

Sources: Colorado State Demography Office.
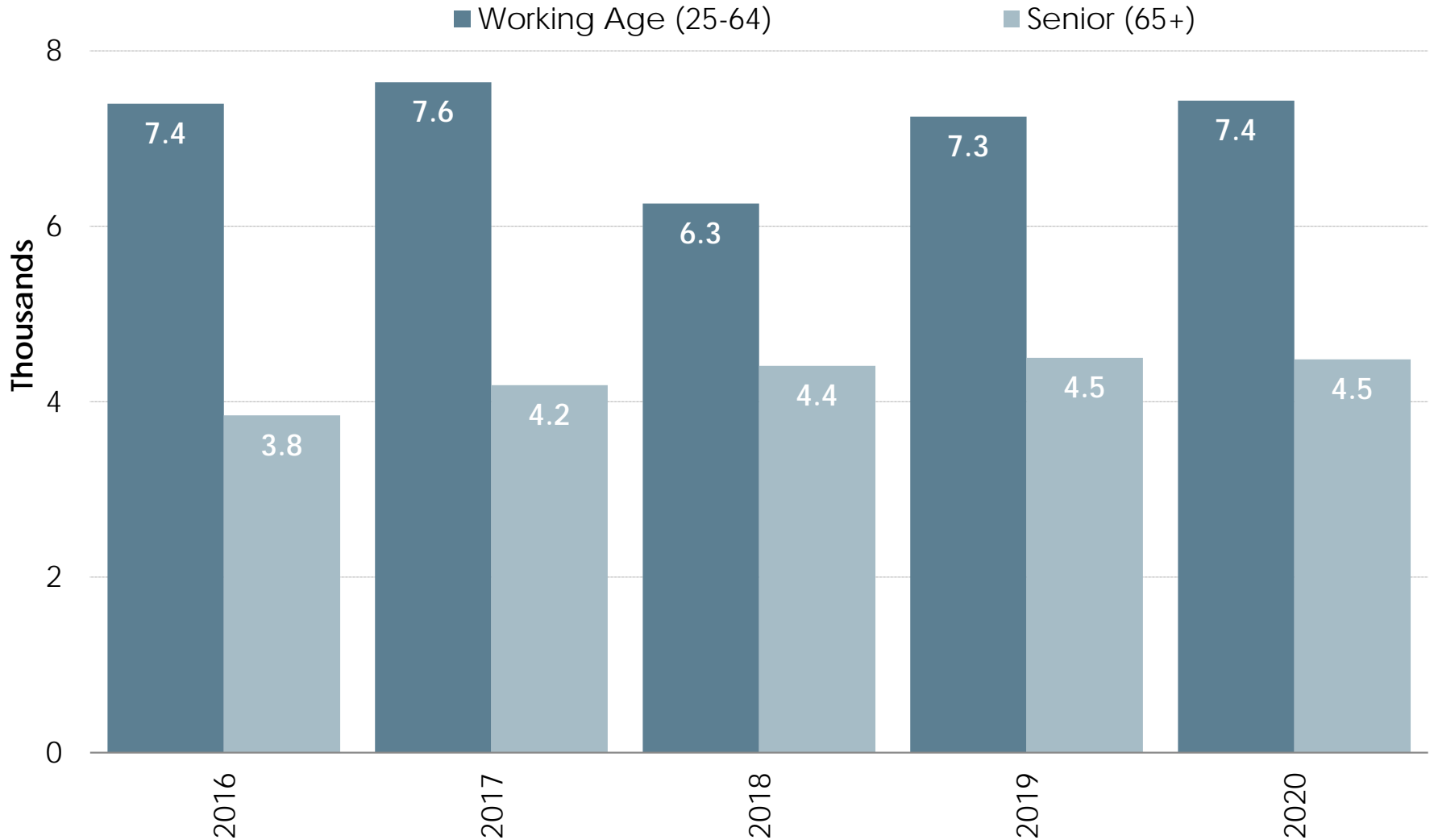
CHALLENGE #3

In many key occupations, more than 25% of the workers are 55 or older. With the wave of likely retirements, employers will need to start succession planning now in order to prepare for the loss of those key individuals.

TOP MIDDLE SKILL JOBS

LARIMER + WELD COUNTIES

SOC CODE	DESCRIPTION	2015 Jobs	DEMAND FACTORS				DEMOGRAPHICS	
			Projected Annual Openings (2016-20)	New jobs	Replacement	Wage Premium over US	% 55+ Years	% 65+ Years
MIDDLE-SKILL *(More than high school, less than four years)*								
53-3032	Heavy & Tractor-Trailer Truck Drivers	5,789	380	18%	82%	1.03	27% ◄	7%
49-9071	Maintenance & Repair Workers, General	2,460	141	49%	51%	0.98	27% ◄	6%
29-1141	Registered Nurses	3,824	134	27%	73%	0.94	27% ◄	5%
25-9041	Teacher Assistants	1,823	106	53%	47%	0.98	23% ◄	6%
39-5012	Hairdressers, Hairstylists, & Cosmetologists	1,400	106	60%	40%	0.96	18%	5%
47-2111	Electricians	1,697	104	72%	28%	0.84	15%	2%
41-4012	Sales Reps., Whls. & Mfg., Exc. Tech. & Scientific	2,416	102	45%	55%	0.97	25% ◄	5%
49-9041	Industrial Machinery Mechanics	1,184	100	65%	35%	1.16	23% ◄	3%
35-1012	First-Line Supvsr., Food Prep. & Servers	1,627	98	42%	58%	1.00	11%	3%
31-1014	Nursing Assistants	2,104	97	45%	55%	1.04	19%	4%
41-1011	First-Line Supvsr., Retail Sales Workers	2,404	96	25%	75%	0.97	19%	4%
47-1011	First-Line Supvsr., Constr. Trades & Extraction	1,911	95	77%	23%	1.04	23% ◄	5%
51-4121	Welders, Cutters, Solderers, & Brazers	1,284	85	54%	46%	1.04	16%	2%
43-1011	First-Line Supvsr., Office & Admin. Support	1,822	84	63%	37%	0.98	24% ◄	4%
49-3023	Automotive Service Technicians & Mechanics	1,566	81	25%	75%	1.03	14%	3%

Source: EMSI.

TOP HIGH SKILL JOBS

LARIMER + WELD COUNTIES

| SOC CODE	DESCRIPTION	2015 Jobs	Projected Annual Openings (2016-20)	DEMAND FACTORS		Wage Premium over US	DEMOGRAPHICS	
				New jobs	Replacement		% 55+ Years	% 65+ Years
HIGH SKILL *(Four-year degree or above)*								
25-1099	Teachers, Postsecondary	5,000	219	46%	54%	0.78	30% ◄	10% ◄
11-1021	General & Operations Managers	3,581	200	50%	50%	0.82	23% ◄	4%
13-2011	Accountants & Auditors	2,594	147	45%	55%	0.86	26% ◄	6%
25-2021	Teachers, Elementary (Except Special Ed.)	2,749	136	49%	51%	0.81	28% ◄	5%
25-2031	Teachers, Secondary (Exc. Special Ed. & CTE)	1,817	92	47%	53%	0.82	28% ◄	5%
25-2022	Teachers, Middle School (Exc. Special Ed. & CTE)	1,347	65	49%	51%	0.82	28% ◄	5%
13-1111	Management Analysts	928	61	75%	25%	0.79	38% ◄	12% ◄
15-1132	Software Developers, Applications	1,211	47	60%	40%	0.80	14%	1%
17-2141	Mechanical Engineers	686	42	42%	58%	0.91	21% ◄	3%
15-1121	Computer Systems Analysts	682	41	75%	25%	0.97	18%	2%
13-1161	Market Research Analysts & Mktng. Specialists	1,088	40	65%	35%	0.93	16%	3%
13-1051	Cost Estimators	672	38	47%	53%	0.96	34% ◄	10% ◄
13-1071	Human Resources Specialists	676	36	49%	51%	1.03	20% ◄	4%
17-2051	Civil Engineers	806	36	27%	73%	0.98	25% ◄	7%
27-2022	Coaches & Scouts	499	32	39%	61%	0.76	13%	4%

Source: EMSI.

SUMMARY OF FINDINGS

- The current labor market is already strained
  - Demand outstrips supply
  - Mismatch in education & skills
  - Difficult to recruit and retain from outside of the region
  - Structural issues (transportation, childcare & housing) exacerbate recruitment challenges
- The situation is likely to worsen
  - Projected demand still more than supply
  - Aging workforce will create more openings
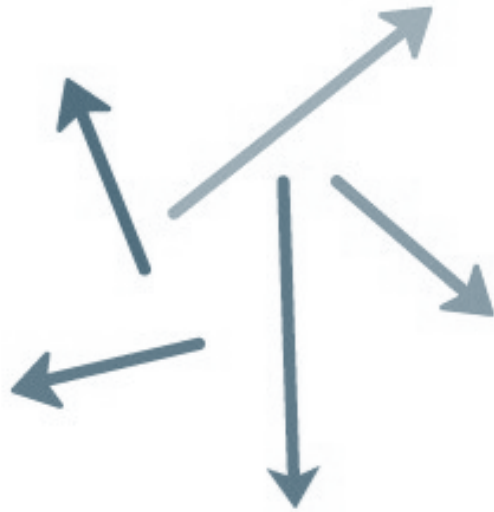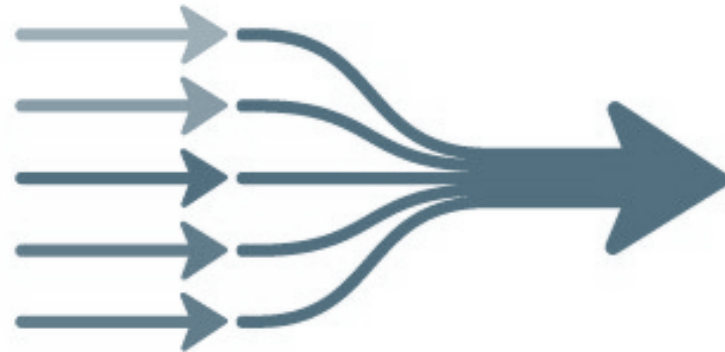
BEFORE　　　　AFTER

- Sets out a common set of goals and strategies
- Align efforts and resources
- Amplify reach and impact

FRAMEWORK

Access

Actively support employers in finding, attracting, and retaining the talent that they need

Alignment

Align education and workforce resources more closely with business community and the local talent pool

Barriers

Collectively address structural issues that serve as barriers to a secure talent pipeline

YOUR PLACE: NORTHERN COLORADO

- **TALENT PORTAL.** Create a talent portal that provides information about working, living, and relocating to the region.

- **AMBASSADORS.** Assemble a multi-generational and diverse group of "ambassadors" that are willing to help sell the community by participating in recruitment events such as panel discussions or networking events.

- **TRAILING SPOUSES.** Partner with existing business networks (chambers of commerce, business associations, and industry associations) to create a program by which spouses and partners of recruits can be connected to potential employers or job opportunities.

- **RECRUITMENT SERVICES.** Develop a recruitment services program to support employers.

- **TALENT ROADSHOWS.** Organize talent roadshows to create opportunities for local employers to jointly market to prospective talent pools.

THE UNDEREMPLOYMENT PROJECT

- **OUTREACH.** Reach out to underemployed individuals through employers and directly

- **INVENTORY.** Catalog resumes and skills of underemployed

- **COACH.** Provide coaching to these individuals to find better jobs

- **RETRAIN.** Connect them to retraining as needed to align skills to opportunities

- **RE-EMPLOY.** Assist them in finding better opportunities

PLAN FOR SUCCESS(ION)

- **ASSESS.** Invest in tools that can help companies assess their needs and craft a transition strategy

- **EDUCATE.** Hold workshops on topics relevant to succession planning

- **KNOWLEDGE-SHARE.** Create peer working groups that meet quarterly to provide a forum for peers to share information and best practices as well as to work through issues together

- **TRAINING.** Create program to train workers to move up

- **EXPERTISE.** Train or hire an expert that can provide technical assistance one-on-one to companies

SECTOR PARTNERSHIPS
(SUPPORT FOR ESTABLISHED INITIATIVE)

- **SURVEY.** Partner with existing sector organizations to conduct annual employer surveys to document needs in critical occupations

- **ADVISE.** Coordinate with sector partnerships to create a more centralized business advisory function.

- **LAUNCH.** Monitor the needs of other industries, and facilitate the launch of new partnerships as needed.

FRONT RANGE CAREER ACADEMY
(EXPANSION OF CURRENT INITIATIVE)

- **EXPAND.** Enhance FRCC's current high school programs

  - Small learning environment, experiential learning, dual enrollment

- **COLLABORATION.** Foster collaboration between school districts, community college, and key employers

- **ALIGNMENT.** Enhances industry-education alignment and is an asset for talent & business attraction

ADVOCACY

- Continue to advocate for **I-25 Corridor** improvements

- Advocate on behalf of FRCC to secure funding for the **Allied Health School**

- Incorporate **affordable housing** as an issue on the local advocacy agenda

THANK YOU

TIPstrategies

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