



## Seventh Planning District Consortium WORKFORCE INVESTMENT PLAN PY 05- PY 06

### D. Needs Assessment

#### 1. Describe the educational and job training needs of individuals in the overall regional population and of relevant subgroups of all programs included in the Unified Plan.

Local adult, dislocated workers, and youth job seekers generally need either assistance in finding a job or assistance in upgrading existing skills to find or retain a job. The key industries such as healthcare services, retail trade, amusement and recreation services, business services, and manufacturing, and their projected growth, will effect employment opportunities available to job seekers through job openings generated by employment growth and technological changes, which can raise the demand for some skills while eliminating the need for others. The existing skills and technical training of regional adult, dislocated workers, and youth job seekers need to match the current and projected demands of the regional economy.

It is apparent that as Northwest Louisiana industries hire well trained job seekers, the productivity and the competitiveness of these companies will create demand for more workers. These expanding companies will have high in-depth knowledge of the types of occupational skills that are needed to enhance the opportunities of the labor force and to aid the regional economy. The concept has already been made clear with the infusion of the casino industry in the Shreveport area. Expansion at the General Motors plant in Shreveport will also offer an opportunity for numerous job seekers. Many jobs within the area, such as, GreenTech and Valentech at LAAP in Minden, and TrusJoist in Natchitoches, will continue to require specific technical skills which will require extensive training.

Businesses demand a higher skilled employee; one who has higher math, reading, and computer skills, and is multi-task oriented with strong technological understanding. Businesses will be expected to continue changing over the two (2) years of the plan primarily through an increase in technology and related skills. The current workforce may experience difficulty in meeting these demands, and will need retraining and upgrading to meet these needs.

In a recent article in *The Times*, here is how some recent rankings and studies have placed Louisiana in regards to youth issues:

#### ◆ Kids Count Data Book 2005

The state profiles of child well-being produced by The Annie E. Casey Foundation ranked Louisiana 49<sup>th</sup> overall for 2002 - 2003.

According to the study in Louisiana:

- 41% of children live in a single parent household.
- 40% of children live in families where no parent has steady full-time employment.

- 30% of children live in poverty.
- 20% of children live in households where the household head is a high school dropout.
- 43% of 8<sup>th</sup> graders scored below basic math level.
- 36% of 8<sup>th</sup> graders scored below basic reading level.
- 56% of 8<sup>th</sup> graders scored below basic science level.

◆ Children's Rights Council:

Louisiana ranked 50<sup>th</sup> according to this child advocacy organization's list of top states in which to raise a child. Ten (10) criteria were used, from abuse investigations to juvenile arrests and percentage of divorces.

◆ Kid - Friendly Cities:

Shreveport ranked 92<sup>nd</sup> out of 112, with an overall grade of D, according to the ranking by the environmental organization Zero Population Growth. Fourteen (14) quality-of-life indicators were used, from education and public safety, to environment and health.

Both the economics and demographics of Louisiana youth are not encouraging. Thirty percent (30%) of Louisiana's children live in poverty, placing it 50<sup>th</sup> in the nation. Louisiana ranked 50<sup>th</sup> in the nation of percentage of 16-19 year old high school dropouts. Louisiana ranked 50<sup>th</sup> in the nation in the percentage of teens not attending school and not working.

At the same time, the state saw a decrease in the labor force. There is no single explanation for the decline, and while it could be attributed to discouraged workers or retirements, it is probable that many of the young bright mobile youth are leaving the state. Only 1.5 percent (1.5%) of the state's workforce is employed in high-tech electronics, computers, software, or telecommunications. That puts Louisiana 48<sup>th</sup>. To correct these problems, Louisiana's and the regional workforce boards' goal is to change the way we use our federal and state funding for youth, change the way we work together to accomplish our youth goals, and change the life chances and outcomes for young people in our state.

To accomplish this goal, our developing youth system must provide a comprehensive service package which mandates that it increase its linkages to employers, focus on youth development activities, increase our emphasis on academic learning as it connects to the workplace, and provide longer-term services and post-employment interventions with a stronger focus on out-of-school youth.

The regions' youth, including low income youth, are being prepared for projected job openings and skill demands identified for adult job seekers through basic skills instruction and career awareness, with emphasis on providing these services to those youth who are deficient in basic literacy skills, school dropouts, homeless youth, runaway or foster youth, pregnant or parenting youth, and youth offenders.

Basic skills instruction and career awareness are currently provided to regional youth, including low income youth through the regions local schools, and local technical colleges in Northwest Louisiana. It is important that the environment in which Northwest Louisiana youth find themselves, whether in school, the community, or at home, is conducive to learning and providing employment opportunities.

**a. Identify the types and availability of workforce investment activities currently in the Region.**

- Occupational skills training, including training for nontraditional employment;
- On the job training;
- Programs that combine workplace training with related instruction, which may include cooperative education programs;
- Training programs operated by the private sector;
- Skill upgrading and retraining;
- Entrepreneurial training;
- Job readiness training;
- Adult education and literacy activities provided in combination with services described above; and
- Customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training.
- Temporary jobs and occupational skills training for hurricane evacuees.

The one-stop system will provide services to a universal population addressing the individual's needs and choice of options as they arise. Also, categorical programs will continue to focus on several targeted populations, including the economically disadvantaged, individuals with disabilities, dislocated workers, individuals receiving Food Stamps and Temporary.

Assistance to Needy Families (TANF), STEP participants, at-risk youth, veterans, older workers, hurricane evacuees, and other segments of the population.

Close coordination of services will continue with the appropriate agencies (i.e. Louisiana Rehabilitation Services, Louisiana Commission for the Blind, Goodwill Industries, The Betty and Leonard Phillips Deaf Action Center of Northwest Louisiana, Parish Mental Health/Mental Retardation) to provide appropriate access to all services for all customers.

**b. Objectively assess the literacy needs of individuals in the Region, including individuals age 18-21, low income students, individuals with multiple barriers to**

**educational enhancement (including individuals with limited English proficiency and criminal offenders in correctional institutions).**

The latest census shows that Region 7 which includes LWIAs 70 and 71, has a population of 565,069. Among adults over the age of twenty-five, 25,379 had less than a high school education, and 55,223 had education levels between the 9<sup>th</sup> and 12<sup>th</sup> grades, thus 80,602 adults in this age range are without high school diplomas or equivalencies. When the age group 16-24 is added, it is estimated that around one (1) to five (5) in the region do not have high school diplomas or equivalencies. There are also 20,685 who do not speak English as a first language who would benefit from English as a Second Language (ESL) assistance. In addition, there are almost 2000 Louisiana Department of Corrections inmates incarcerated in local jails throughout the region. Studies have shown that the literacy levels of offenders in correctional institutions are well below those of the normal population.

LWIAs 70 and 71, along with their partners, face a challenge in enhancing the literacy needs of the region. Nationally standardized assessment instruments are used to determine literacy levels. These instruments are available to individuals through local education agencies, community-based organizations, faith-based organizations, and community development outreach programs. Individuals found to have literacy deficiencies will be referred to the appropriate organization for literacy enhancement. Coordination between agencies will be undertaken to minimize testing of individuals and avoid duplication of services.

**c. Estimate the number and characteristics of the expected pool of work registrants in the Food Stamp Employment and Training Program.**

LaJET which is the Food Stamp Employment and Training Program for Caddo Parish served 1,742 participants in 2005, and as of June 30, 2006 has served 1,619 participants. The LaJET program experienced an increase of over four (4) times the number of participants served this year as compared to last year ending June 30, 2005.

Mandatory food stamp recipients between ages 18-49 are served by LaJET. These recipients are mostly unemployed able-bodied adults without dependents (ABAWDs) or Non-ABAWDS. Of this group 37% are male and 63% are female. In basic literacy testing, 59% score below the 7<sup>th</sup> grade level and 41% score at or above the 7<sup>th</sup> grade level.

**d. Estimate the number of disabled individuals who are eligible for services under the Vocational Rehabilitation Order of selection Categories 3.**

In Region 7, Louisiana Rehabilitation Services (LRS) currently is serving all five (5) categories of eligible persons with disabilities. Region 7 consists of Bienville, Bossier, Caddo,, Claiborne, DeSoto, Lincoln, Natchitoches, Red River, Sabine, and Webster Parishes. LRS is currently serving 1,713 eligible persons in this area. Additionally, there are 1,053 in Eligible Status, and 268 in Applicant Status. Current total is 3,034.

**e. Address the educational and training needs of public housing residents and other families receiving housing assistance.**

The education and training needs of individuals living in public housing, and other families receiving housing assistance are: upgrading basic skills (Reading and Math), and occupational skills training.

WIA 70 will both directly and through its partners, facilitate a range of programs designed to provide lower income persons with the opportunity to become self-sufficient. Utilizing new and existing programs, opportunities for education, employment, income generation, and asset accumulation will be provided. WIA 70 will collaborate with its service partners to diligently pursue public and private resources to support initiatives aimed at addressing the key challenges of unemployment and low levels of education attainment, and other impediments to upward mobility.

- 2. WIA Title I and Wagner-Peyser Act Economic and Labor Market Analysis. As a foundation for this strategic plan and to inform the strategic investments and strategies that flow from this Plan, provide a detailed analysis of the regional economy, the labor pool, and the labor market context. Elements of the analysis should include the following:**

**(See Appendices D.2.a-j. Labor Market Information Charts-All)**

- a. What is the current makeup of the regional economic base by industry?**

Chart I shows the percent distribution of employment by major industry sectors within Northwest Louisiana (Region 7) based on data obtained from the Louisiana Department of Labor.

As can be seen in Chart I, in the year 2000 almost six (6) out of ten (10) workers in Northwest Louisiana were employed in two (2) sectors: services (NAICS Codes 54-71,81) and retail trade (NAICS Codes 44-45).

Only one other industry sector, manufacturing (NAICS Codes 31-33), employed more than ten percent (10%) of the region's labor force.

Additional data available from the Louisiana Department of Labor indicates that, by the 1<sup>st</sup> quarter of 2004, 112,304 persons were employed in service related industries within Northwest Louisiana, or 51% of the region's total employment that was estimated at 220,278. In the 1<sup>st</sup> quarter of 2004 employment in the retail trade sector continued to rank 2<sup>nd</sup> (employment of 26,684) followed by manufacturing (employment of 22,383). The service sector (or service related industries) has established itself as the foundation of the region's economic base.

What's behind the service sector's leading role in providing employment for Northwest Louisiana's labor force? Based on data available from the Louisiana Department of Labor, it can be estimated that almost seventy (70%) of employment in Northwest Louisiana's service sector is concentrated in health services (NAICS Codes 621,622,623), educational services (NAICS Code 61), business services (NAICS Codes 54,55,56), and amusement & recreation services (NAICS Code 71).

The Shreveport-Bossier City MSA, the population center of Northwest Louisiana, has

a large health care industry with several private and state operated (LSU Medical Center) medical facilities (hospitals, clinics) present. Additionally, there are over twenty (20) nursing homes and assisted living facilities in Shreveport and Bossier City. The 2002 edition of County Business Patterns (U.S. Department of Commerce) shows that there are 129 offices of dentists in Caddo and Bossier Parishes employing 786 persons. The health services sector may employ as much as seventeen percent (17%) of Region 7's labor force.

Public and private schools within each of the ten (10) parishes that make up Region 7, and at least seven (7) colleges/universities (LSU-S, Louisiana Tech, Grambling, Southern University, BPCC, Centenary, Northwestern), are a source of employment for 23,291 persons. Within business services, temporary employment agencies (found within NAICS code 561- Administrative Support Services) are an important source of workers for a wide range of businesses, governmental agencies, and nonprofit organizations.

U.S. Support Company (also grouped within NAICS Code 561) recently opened a call center in Shreveport that has created several hundred jobs. The river boat casinos and their associated hotels (found within amusement & recreation services) provide jobs for several thousand workers in Shreveport and Bossier City.

This newcomer to the Northwest Louisiana economy (established during the 1990s) has also contributed to the further development of a tourism industry by drawing thousands of visitors from neighboring states. In January of 2005 retail trade provided jobs for 19,300 workers within the Shreveport-Bossier City MSA, or about eleven percent (11%) of total payroll employment.

Within Northwest Louisiana (Region 7) employment in eating and drinking places (NAICS Code 722) accounts for about thirty-six percent (36%) of all jobs found in the retail trade sector followed by general merchandise stores (NAICS Code 452) 16% of retail trade employment.

The subsector "eating and drinking places" includes fast-food establishments (e.g., McDonalds, Burger King, KFC), cafeterias (e.g., Picadilly, Lubys), and restaurants with specialized menus (e.g., Mexican and oriental food, steak houses). The subsector "general merchandise stores" includes such retail giants as Wal-Mart, K-Mart, Sears, and Target, all of whom have stores present in Northwest Louisiana. Food stores (NAICS Code 445) make up about fourteen (14%) of employment in Northwest Louisiana's retail trade sector and include large grocery store chains such as Kroger and Brookshires in addition to convenience stores (e.g., Circle-K).

It is obvious that the service, retail trade, and manufacturing sectors are critical to the vitality of the Northwest Louisiana economy. The service sector is highly diverse in the types of businesses (and nonprofit organizations) it comprises, as is the retail trade sector. The types of occupations (jobs) that can be found within these two (2) sectors are also diverse.

Manufacturing jobs in Northwest Louisiana are concentrated in a few major employers (e.g., General Motors, Libbey Glass, Calumet Lubricants) that provide "high wage" jobs

for several thousand workers. The occupations available to the labor force within Northwest Louisiana are dictated by its dominant industries, or the industries that largely support its economic base. This undoubtedly has significant implications in terms of the education, training, and skills required of the region's labor force and the "quality" of jobs that will be available (i.e., pay, benefits, working conditions).

**b. What industries and occupations are projected to grow and/or decline in the short-term and over the next decade?**

The Northwest Louisiana economy was also impacted by the events of September 11, 2001 and the slide in stock prices at the beginning of the decade that weakened the national economy by creating an environment of consumer and business uncertainty. In the year 2000 the Shreveport-Bossier City MSA's unemployment rate was estimated at four.six percent (4.6%) but by 2002 had jumped to seven.three percent (7.3%) with a further increase to seven.five percent (7.5%) in 2003.

A look at short-term two (2) year changes in employment within Northwest Louisiana's major industry sectors reflects this weakened job market. As can be seen in Chart II, overall employment in Region 7 declined by two.one percent (2.1%) from 2001 to 2003. In looking at employment changes in specific industry sectors over this two (2) year period, it appears that job loss was greatest in the manufacturing and construction sectors.

Employment growth in service related industries was surprisingly weak (an increase of only three-tenths (3/10) of a percent), while the Finance & Insurance sector led in the percentage increase in employment followed by Agriculture & Forestry and Public Administration.

Since Chart II only depicts changes in employment over the short term two (2) years), no inferences can be made as to whether its data represent any trends that will persist throughout the current decade. Likewise, no reliable observations or assumptions can be made as to whether these short-term changes in employment may have had any significant impact on the occupational mix of Region 7's labor market. However, there is some indication that the Northwest Louisiana economy and labor market may be strengthening again.

By the 1<sup>st</sup> quarter of 2004 total employment in Region 7 had climbed back to 220,278 after being at 217,090 during the 1<sup>st</sup> quarter of 2003. The unemployment rate for the Shreveport-Bossier City MSA dropped under five percent (5.0%) in April of 2005, signaling what may be a tightening labor market.

Determining what industries and occupations in Northwest Louisiana (Region 7) are likely to see an increase or decline in employment over the current decade (2000 to 2010) can be approached by examining additional labor market information available from the Louisiana Department of Labor.

**c. In what industries and occupations is there a demand for skilled workers and available jobs, both today and projected over the next decade? In what numbers?**

A limited picture of the current state of the Shreveport area labor market can be seen from the results of Job Vacancy Surveys conducted by the Louisiana Department of Labor. The results for one such survey conducted for the Shreveport region during the 2<sup>nd</sup> quarter of 2004 (April, May, June) are contained in Chart III. Out of a total of 6,459 job vacancies, almost seventy percent (70%) were concentrated in the top five (5) occupational groups in Chart III. The leading occupational group, Sales & Related, accounted for at least a quarter twenty-five percent (25%) of all job vacancies.

According to additional calculations made by the Louisiana Department of Labor, all but one of the top five (5) occupational groups (Food Preparation & Serving) had a “high” hiring index, meaning a likely shortage of qualified workers. In terms of skill and experience requirements for the top five (5) occupational groups, the survey results showed a relatively low percentage of employers requiring education or training beyond a high school diploma (0 to 20.9%), but with at the majority of employers (54 to 100%) requiring “some work experience”. Work experience, more than a substantial investment in education and training, appeared to be a requirement for the majority of job vacancies identified through this survey.

From this, it can be inferred that most “skills” required for jobs in the top five (5) occupational groups listed in Chart III are acquired through on-the-job training.

The 6,459 job vacancies identified in this survey were found in the following ten industry groups:

	<u>Number of Vacancies</u>
Trade, Transportation & Utilities	1,513
Leisure & Hospitality	1,204
Construction	999
Financial Activities	922
Education & Health Services	794
Professional & Business Services	500
Manufacturing	228

	<u>Number of Vacancies</u>
Other Services	139
Information	91
Natural Resources & Mining	71

These numbers again point to the importance of the retail trade sector and service related industries as sources of employment for the Northwest Louisiana labor force. The number of job vacancies in the construction sector (999) may be a reflection of when the survey was conducted – the months of April, May, and June, during which construction activity (residential, commercial, public infrastructure) begins to peak.

The reason for the relatively high number of jobs in the financial activities sector (922) may have been related to an increased number of persons seeking assistance in

preparing federal and state income tax returns during the 2<sup>nd</sup> quarter. Only three.five percent (3.5%) of the job vacancies were found in the manufacturing sector.

Included with this plan are attachments containing employment projections data for Northwest Louisiana (Region 7) obtained from the Louisiana Department of Labor. As can be seen in Chart IV, the services and retail trade sectors are projected to contribute over three-fourths (78%) of the increase in employment to take place over the current decade (2000 to 2010). If the Louisiana Department of Labor's employment projections turn out to be valid, the service sector will create almost six (6) out of every ten (10) jobs with retail trade generating about two (2) out of every ten (10) jobs.

The Louisiana Department of Labor's projections show that close to three-fourths (73%) of the employment growth projected for the service sector over the current decade will come from four "subsectors": health services, educational services, business services, and amusement & recreation services.

These four (4) subsectors alone may already employ as much as thirty percent (30%) of the Northwest Louisiana labor force and based on LDOL's projections, will contribute forty-three (43%) of the total increase in employment to take place to the year 2010. It is possible that three (3) out of ten (10) jobs created by the Northwest Louisiana economy will be found in business services and health services.

Even though the service and retail trade sectors are expected to create the overwhelming majority of new jobs for the Northwest Louisiana labor force the contribution of other sectors such as government (NAICS Code 92), construction (NAICS Code 23), and transportation (NAICS Code 48-49) must not be overlooked.

These three (3) sectors are also expected to increase their number of workers over the current decade. The government sector (especially local and state government agencies) is likely to offer employment opportunities in the areas of public safety (i.e., corrections, police fire), clerical and administrative related jobs, managerial and executive level positions. Employment expansion in the construction sector will generate a need for both unskilled (general laborers) and skilled workers (e.g., carpenters, electricians). Truck drivers, especially those with CDLs, will see the creation of additional jobs through the expansion of employment in the transportation sector.

Only two (2) industry sectors within the Northwest Louisiana economy, manufacturing (NAICS Codes 31-33) and mining (NAICS Code 21), are projected to lose jobs. Despite the projected trend in declining employment within the Northwest Louisiana manufacturing sector, Shreveport's General Motors Assembly Plant (NAICS Code 336), employing 3,000 persons, recently expanded its facilities which also resulted in the establishment of a number of related supply/assembly companies and the creation of several hundred new jobs

Both LWIAs 70 and 71 entered into successful OJT contracts with one of these companies (AI Shreveport) that resulted in high wage jobs for a considerable number of WIA adult and dislocated worker participants. Employment at Shreveport's Libbey

Glass plant (NAICS Code 327) has, so far, remained stable with 1,000 workers, and has also provided jobs for WIA adult and dislocated worker participants.

Predicting future trends in employment within Northwest Louisiana's mining sector is complicated by the recent demand driven spike in oil prices and an associated rapid increase in the cost of gasoline. Whether this will eventually result in any significant increase of jobs in the mining sector (particularly oil exploration and extraction (NAICS Code 211) remains to be seen.

The occupations available to the labor force within any local or regional economy are obviously dictated by its dominant industries – particularly those industries that are likely to require an increased number of workers as a result of an increase in demand for the goods and services that they produce. Occupational employment projections for Northwest Louisiana (Region 7) reflect this principle.

Through the use of a statistical model that is built on assumptions related to industry growth trends, the Louisiana Department has provided projections of annual job openings for 124 demand occupations within Northwest Louisiana over the current decade (2000 to 2010). The projected annual job openings for each occupation consists of two (2) components – one representing the number of job openings based on “replacement” (i.e., employee turnover due to voluntary quits, firings, retirements), and the other, job openings based on “growth”, or an employer's (or industry's) need to hire additional workers (create “new” jobs) due primarily to an increased demand for the goods or services it offers or produces.

Chart V shows the top thirty (30) occupations in Northwest Louisiana based on projected total annual job openings (replacement + growth), while Chart VI displays the top thirty (30) occupations based on annual job openings due to growth. There is a close correlation between the occupations contained in these two (2) charts. As expected, all of the occupations can be found in Northwest Louisiana's existing industry sectors (Chart I) and, more significantly, in the industry sectors whose employment is expected to see the greatest increase over the current decade (Chart IV).

In focusing on the occupations with the greatest number of projected annual job openings due to “growth” (Chart VI) considerable diversity can be seen in their skill, training, or educational requirements and the incomes (annual earnings) they provide to workers. For example, the occupation with the greatest number of projected annual job openings due to growth, Food Preparation & Serving Workers, only requires “short-term training and experience”, while the occupation Registered Nurses requires a two (2) year associate or four (4) year college degree.

The difference in the incomes that these two (2) occupations offer is substantial - \$13,829 vs. \$42,296. In 2001, the average weekly wage for all workers in Region 7 was \$518.96, or an annual earnings equivalent of \$26,986. Only eight (27%) of the thirty (30) occupations listed in Chart VI had annual earnings in 2001 greater than this average. Thirteen (13) of the thirty (30) occupations (43%) had earnings below LDOL's current “self sufficiency” level of \$18,620.

Unfortunately, the occupations with the greatest number of available employment

opportunities in Northwest Louisiana do not always provide desirable incomes – incomes that will provide a worker and his/her family with a standard of living significantly above the poverty level.

The annual earnings data in Chart VI serve to demonstrate the potential return (i.e., higher incomes) from skills acquired through formal education and vocational training. This is one area where Northwest Louisiana's workforce investment system can make a contribution in meeting the broader economic development goal of increased earnings (incomes) for the local or regional labor force.

Chart VI is not comprehensive in listing all demand occupations in Northwest Louisiana (Region 7) that should be the focus of its workforce investment system. Also, whether financial resources can be invested in providing training for WIA adult and dislocated workers for the acquisition of skills required for certain demand occupations is to a large extent constrained by the availability of ITA eligible vocational courses and degree programs as determined by the Louisiana Department of Labor and local Workforce Investment Boards. OJT and Customized Training contacts will continue to serve as a vehicle for more directly meeting the worker training needs of Northwest Louisiana employers wanting to expand or increase the skills of their workforce.

**d. What jobs/occupations are most critical to the regions economy?**

Identifying jobs (or occupations) that are most "critical" to Northwest Louisiana's economy can be approached by looking at data on industry staffing patterns that is also available from the Louisiana Department of Labor. Chart VII contains examples for six (6) industry sectors that employ a significant portion of Region 7's labor force: health services, amusement & recreation services, business services, educational services, eating & drinking places, and general merchandise stores.

The occupations shown in Chart VII comprise fifty percent (50%) or more of each industry sector's employment. The assumption is that the knowledge and skills required of the workers who hold jobs in these occupations are highly important (critical) to each industry's day-to-day operations in meeting the demands of its customers.

A considerable number of these occupations can also be found in Chart VI – occupations with the greatest number of projected annual job openings due to "growth" (i.e., demand occupations).

**e. What are the skill needs for the available, critical projected jobs?**

Occupational skills can be acquired through actual work experience (on-the-job training), short-term vocational training courses requiring anywhere from four (4) weeks to eighteen (18) months of classroom attendance, or college and university degree programs taking two to six (6) years for completion. Additional information available from the Louisiana Department of Labor offers some idea of the skill needs for both demand occupations and occupations "critical" to the industries that dominate Northwest Louisiana's economy.

Taking the occupations contained in Chart VII, some general observations can be made

as to how their skills are likely to be acquired, and whether or not the skill acquisition process involves a substantial investment in education and training. Chart VIII gives a summary for the occupations listed under each of the six industry sectors contained in Chart VII. Of the seventy-one (71) occupations contained in Chart VII almost seventy percent (70%) require only short-term or moderate term training and experience. About twenty percent (20%) of the occupations require post-secondary vocational training, an Associate Degree, or a Bachelor's Degree. This again underscores the importance of actual work experience (on-the-job training) as a means of acquiring the skills needed for most of the occupations found in the industry sectors that dominate the Northwest Louisiana economy. This also points to a need for workers with the aptitude and initiative to learn skills quickly in the workplace which is also related to the possession of adequate basic education (literacy) and "soft skills" (i.e., attendance, reliability, cooperation with coworkers, following supervision). However, this in no way lessens the importance of workers possessing vocational training certificates and college degrees through which they have acquired highly specialized knowledge and skills as can be seen in Northwest Louisiana's health services sector.

**f. What is the current and projected demographics of the available labor pool (including incumbent workforce) both now and over the next decade?**

According to 2000 Census data, the ten (10) parishes that make up Region 7 (Northwest Louisiana) had a combined population of 565,069, which represented a three.six percent (3.6%) increase in population from the region's 1990 population of 545,527. Most members of the labor force (labor pool) fall within the age range of 15 to 64 years. Census data show that from 1990 to 2000 this segment of the Northwest Louisiana population increased by about six.five percent (6.5%).

Whether this growth in the size of the "potential" labor force is adequate for keeping pace with the human resource needs of the Northwest Louisiana economy may be questionable - according to the Louisiana Department of Labor, total employment in Region 7 is projected to increase by fifteen.five percent (15.5%) from 2000 to 2010.

However, this does not provide conclusive evidence of an impending labor shortage for Northwest Louisiana based on population dynamics alone. Advances in technology that result in increases in productivity can also lead to a decrease in the number of workers required by some industries. Some social scientists have made speculations concerning the "aging" of the labor force. Census data for Region 7 show that, from 1990 to 2000, persons in the age range of 45 to 64 years (the "baby boomers") increased from eighteen.four percent (18.4%) to twenty-one.seven percent (21.7%) of the population while the segment of the population in the age range of 15 to 44 years remained almost constant as a percentage of the population (about forty-four percent (44%).

Consistent with national trends, it does appear that the "baby boomers", many of whom will soon be facing retirement decisions, are a significant segment of Northwest Louisiana's labor force. Services in the workforce investment system that target "older workers" are likely to become increasingly important. The percentage of the population 14 years of age and under (not in the labor force) declined only slightly from 1990 to 2000 (31.9% to 30.3%). From 1990 to 2000 persons 65 years of age and over

remained almost constant as a percentage of Northwest Louisiana's population (a change from 13.2 to 13.4%).

Northwest Louisiana's population is dominated by Whites and African Americans. According to 2000 Census data, Whites make up 59.4% of Region 7's population with African Americans (Blacks) at 37.5%. All other racial/ethnic groups represent only about three (3%) of the Northwest Louisiana population. There is some indication that this racial/ethnic composition of Northwest Louisiana's population may be shifting. From 1990 to 2000 Whites' percentage of the population dropped from 63.3% to 59.4% while that of African Americans increased from 35.6% to 37.5%. The number of Asians and persons of Hispanic Origin also grew considerably from 1990 to 2000 – an increase in population of 53.5% for Asians and 36.4% for persons of Hispanic Origin. American Indians in Northwest Louisiana saw their population double from 1990 to 2000. It is not possible to say with any certainty whether these emerging changes in the racial/ethnic composition of the Northwest Louisiana population are the result of differential birth rates, "in migration", or "out migration". Regardless, this will likely result in some changes in the racial/ethnic composition of Region 7's labor force (labor pool) by the end of the next decade (2020).

The Louisiana Department of Labor's publication *Affirmative Action Data Book, 2003* shows the Shreveport-Bossier City MSA with a civilian labor force of 180,300 persons. According to additional data in this publication, males make up fifty-one percent (51%) of the MSA's labor force with females at forty-nine percent (49%). Mirroring the racial/ethnic composition of Region 7's population, Whites comprise sixty-four percent (64%) of the Shreveport-Bossier City MSA's labor force with African Americans (Blacks) at approximately thirty-three percent (33%).

All other racial/ethnic groups (Asians, Hispanics, American Indians) represent around three (3%) of the MSA's labor force. These percentages have one possible implication for Northwest Louisiana's workforce investment system, that being the incidence of unemployment among the different racial/ethnic groups in the labor force. According to LDOL's data for the Shreveport-Bossier City MSA, in the year 2002 Whites had an unemployment rate of 4.4% while African Americans (Blacks) had an unemployment rate of 13.4% - three times that of Whites. Hispanics in the MSA's labor force had an unemployment rate estimated a little higher than Whites at five percent (5.0%).

Under the assumption that those most likely in need of the services available through the workforce investment system will be the unemployed, it will be a guiding policy to insure that racial/ethnic minorities have equitable access to all available services. This issue will be of increasing importance in the future as racial/ethnic minorities are likely to become a greater percentage of Northwest Louisiana's labor force as a result of their growing population in the region as demonstrated in examining census data for the years 1990 and 2000.

**g. Is the region experiencing any "in migration" or "out migration" of workers that impact the labor pool?**

In looking at changes in the age cohort composition of Northwest Louisiana's population that occurred from 1990 to 2000, another significant observation can be

made from census data. From 1990 to 2000 the number of persons in the age range of 25 to 34 years declined by fifteen.six percent (15.6%) (a drop from 83,918 to 70,843). Persons in this age range represent young adults who are usually in the process of establishing careers. Why this segment of Northwest Louisiana's population decreased from 1990 to 2000 is uncertain, but may be due to "out-migration" as more young adults left the region in order to pursue job opportunities offering higher incomes, or jobs more closely related to their educational attainment, skills, and career interests. If this is the case, it may say more about the quality of jobs being created by the Northwest Louisiana economy rather than a lack of jobs. Issues such as this, although relevant to the development of an effective workforce investment system, must be addressed through economic development initiatives.

It has been estimated by the local media that as many as 20,000 evacuees become part of Northwest Louisiana's population as a consequence of Hurricanes Katrina and Rita. At this time, it is unclear what long-term impact these evacuees may have had on the Shreveport-Bossier population and labor force after their arrival in late August and September of 2005. In September of 2004 (a year before the arrival of Hurricanes Katrina and Rita) the Shreveport-Bossier City MSA's unemployment rate was reported as 5.6%. For September of 2005, the month during which Northwest Louisiana saw the initial influx of evacuees, the MSA's unemployment rate jumped to 7.1% followed by unemployment rates of 6.3% and 6.6% in October and November of 2005. Analysts with the Louisiana Department of Labor have attributed some of this increase in the Shreveport-Bossier City MSA's unemployment rate to the hurricane evacuees' entry into the local labor market in search of jobs.

Centerpoint, a social services agency in Shreveport, has estimated that there may be as many as 2,500 hurricane evacuees currently residing in the Shreveport-Bossier area. If these evacuees have chosen to remain in Northwest Louisiana they will undoubtedly face the challenges of finding suitable housing and employment.

Fortunately, the Shreveport-Bossier City MSA has experienced strong job growth with non-farm employment increasing steadily throughout 2005 and 2006. From January through May of 2006 the MSA's unemployment rate fell under 5.0% with a low of 3.4% reported for February. Data available from the Louisiana Department of Labor show that from January 2005 to June 2006 close to 10,000 non-farm jobs were added to the MSA's economy. A strong Shreveport-Bossier economy may have contributed to many hurricane evacuees finding employment in the local labor market, facilitating their assimilation into the local population.

- h. Based on an analysis of both projected demand for skills and the available and projected labor pool, what skill gaps is the region experiencing today and what skill gaps are projected over the next decade? Are there any significant "skill gaps" that can be easily identified in comparing the characteristics of the Northwest Louisiana labor force (the labor pool) and the occupations found in the industries that dominate its economy?**

Looking again at the results of the Louisiana Department of Labor's Job Vacancy Survey conducted for the Shreveport region during the 2<sup>nd</sup> quarter of 2004, sixty-three percent (63%) of the responding employers indicated that their job vacancies required

“some experience in *any* field” or “no experience” at all. Surprisingly, seventy-five (75%) of the Northwest Louisiana employers included in LDOL’s survey stated that their job vacancies required a “high school diploma or less”.

Although not definitive, the results of this survey seem to reinforce the position that actual work experience (work history), a high school diploma (or GED), and “soft skills” are of primary importance in meeting the qualifications of most Northwest Louisiana employers’ labor force needs. However, this still does not lessen the importance of a Northwest Louisiana labor force with occupational skills acquired through formal education and training (e.g., vocational schools, community colleges, universities) as can be seen in many of the demand occupations contained in Charts VI and VII.

Data from the 2000 Census show the educational attainment of the Northwest Louisiana (Region 7) population as follows:

Percent of Population with less than high school diploma:	22.9%
Percent of Population High School Graduate:	33.4%
Percent of Population with B.S. Degree:	11.8%
Percent of Population Graduate or Professional Degree:	6.6%

Based on the above distribution it appears that one (1) out of (5) persons in Northwest Louisiana’s potential or actual labor force may not have completed high school.

This could become a “critical” workforce development issue if these persons do not have adequate basic education skills (e.g., writing, reading comprehension, and basic math skills) as a result of not having completed requirements for a high school diploma. These are the persons in the labor force who are most likely to experience unemployment or, if employed, hold “low wage” and unstable jobs. A high secondary school dropout rate is possibly one “skill gap” that may require the attention of Northwest Louisiana’s workforce investment system.

With a third of Northwest Louisiana’s population having at least a high school diploma, and eighteen percent (18%) having a college (B.A., B.S.) or advanced/professional degree, there appears to be a fairly good match with the education and skill requirements of most occupations (jobs) found within the region’s dominant industries. One sign of this is that when the Shreveport-Bossier City MSA economy is strong (i.e., jobs are being created and employers are looking for workers), its unemployment rate can be seen to drop within the four (4) to five (5) percent range. In other words, when jobs need to be filled, most employers in Northwest Louisiana can find qualified workers. Northwest Louisiana’s existing educational institutions and its workforce investment system have performed fairly well in responding to the human resource needs of its major industries and employers. WIA re-authorization will provide an opportunity to make additional improvements in this responsiveness.

**I. Based on an analysis of the economy and the labor market, what workforce development issues has the LWIA identified?**

The Northwest Louisiana economy is creating jobs, but many of these jobs do not require a substantial investment in formal education or training.

For most of the jobs found in Region 7's dominant industries, employers will be seeking applicants with an established work history (work experience) and the possession of at least a high school diploma. Furthermore, many of the demand occupations identified within Region 7 do not offer workers earnings (incomes) that are above LDOL's self-sufficiency level.

Most job growth in Northwest Louisiana will be concentrated in a limited number of industry sectors. Based on an analysis of available labor market information, LWIAs 70 and 71 will be targeting the following industry sectors as part of a strategy in maximizing WIA participants' chances of obtaining employment: health services (NAICS Codes 621,622,623), retail trade (NAICS Codes 44-45), amusement & recreation services (NAICS Code 71), business services (NAICS Codes 54,55,56), and manufacturing (NAICS Codes 336,337). With the exception of manufacturing, these sectors are projected to be the source of a considerable portion of the growth in employment that will take place in Region 7 over the current decade.

**j. What workforce development issues has the LWIA prioritized as being most critical to its economic health and growth?**

A "skill gap" may be developing within Northwest Louisiana's potential or actual labor pool due to a high secondary education (high school) dropout rate. Addressing this issue through the workforce investment system will be a challenge, but may be approached through closer coordination with local adult education programs and the funding of WIA service providers who can effectively increase the basic education skills and high school/GED completion rate of youth participants (both in-school and out-of-school youth). Accomplishing this objective will be important to contributing to the health and growth of Northwest Louisiana's economy.

The use of Individual Training Accounts (ITAs) in addition to OJT and Customized Training contracts must have as one of their objectives the placement of WIA participants in demand occupations that leads to an increase in earnings and long-term employment stability. This will necessitate a closer examination of available labor market information in order to better assure that WIA participants' occupational training choices are likely to lead to this objective. This goal of Northwest Louisiana's workforce development system is essential for achieving an adequate return from the investment of WIA funds in training activities.