

# SOUTH COASTAL WORKFORCE INVESTMENT BOARD

## BLUEPRINT EXECUTIVE SUMMARY

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A region's economic competitiveness is highly dependent on the quality of its workforce. All residents and businesses of a region have a stake in ensuring that the resources needed to develop and maintain a highly-skilled workforce are mobilized and effectively deployed. The South Coastal Workforce Investment Board (SCWIB), one of 16 Workforce Investment Boards across the Commonwealth charged with providing workforce development leadership in their regions, has prepared this report to provide key economic stakeholders in the South Coastal region with a common knowledge base to make informed decisions about how to strengthen the region's workforce development system. This executive summary presents the report's key findings and recommendations.

### OVERVIEW OF THE SOUTH COASTAL WORKFORCE INVESTMENT AREA LABOR MARKET

Chapter 2 of the report presents a general overview of the South Coastal Workforce Investment Area (SCWIA) labor market, including its size, geographic contours, growth trends, industry structure, and the balance between labor supply and demand. Among the key findings:

- The South Coastal Workforce Investment Area (SCWIA) is comprised of 22 cities and towns spanning what is commonly referred to as Boston's "South Shore." It runs from the communities of Quincy and Milton bordering Boston in the north to the town of Plymouth bordering Cape Cod in the south.
- The rate of recent population and labor force growth in the SCWIA has considerably outpaced the statewide average.
- SCWIA employment is heavily concentrated in the retail and service sectors. Its largest industries are retail, and healthcare and social assistance. Other major industries are finance and insurance, accommodation and food services, education, construction, and manufacturing.
- The great majority of business establishments in the SCWIA are small, with eight of every nine employing fewer than 20 workers. At the same time, these establishments employ only about one-quarter of all workers. A slightly higher percentage of workers are employed in these small establishments than at the state level.
- Recent job growth in the SCWIA has been modest, but has outpaced the state as a whole, which experienced an overall decline in employment.
- The healthcare and social assistance industry has been the largest source of job growth, followed by education, and professional and technical services. Conversely, management of companies has been the largest source of job decline, followed by manufacturing and information (which includes publishing, telecommunications, and data processing).
- The SCWIA experiences a high-level of workforce flows across its boundaries. Fully half of working residents of the SCWIA commuted outside the area in 2000, while about one-third of workers employed in the SCWIA commuted into the area. The relatively high commuter outflows reflect the fact that the SCWIA is a net exporter of workers.
- Residents of the SCWIA have, on average, been more successful than others in the state in finding and keeping jobs. The SCWIA's unemployment rate has remained slightly below the state's in recent years. At the same time, because of a combination of growth in the region's labor force and a rise in its unemployment rate since 2000, the number of unemployed workers has increased.
- The report grouped the SCWIA into northern and southern sub-areas based on differences in labor market characteristics. Among the most significant differences are the following:

- **Labor force growth.** The rate of labor force growth in the southern sub-area has far outpaced that of the northern sub-area.
- **Job growth.** Most communities in the northern sub-area are experiencing slow growth or declines in jobs, while most communities in the southern sub-area are experiencing robust growth.
- **Occupational structure.** Residents of the northern sub-area are more likely to work in management, business, and professional occupations, while residents of the southern sub-area are more likely to work in service, construction, and production occupations.
- **Industry structure.** The northern sub-area has a more knowledge-based service economy, with much higher concentrations of jobs in financial services, and business and professional services. The southern sub-area has a more traditional economic base, with higher concentrations of jobs in manufacturing, construction, trade, and tourism.
- **Commuting patterns.** A considerably higher proportion of northern sub-area residents work in Boston and its environs.
- **Unemployment.** Unemployment is a more serious problem in the southern sub-area.

### A PROFILE OF THE SCWIA WORKFORCE

The types of industry a region can attract and grow and the level of prosperity attained by a region's residents are strongly influenced by the characteristics of its workforce. Chapter 3 provides a profile of the workforce, including education levels, occupation and industry of employment, age, race and ethnicity, English language skills, and economic status. Among the key findings:

- Compared to their counterparts elsewhere in the state, SCWIA residents are considerably more likely to possess the minimum educational credential, a high school diploma, but only slightly more likely to hold a postsecondary credential.
- If a postsecondary degree is considered the bar to high-skill, reasonably well-paying jobs, a high proportion of residents lack adequate educational credentials. About 10 percent of adult residents had no high school diploma in 2000 and another 50 percent had no postsecondary degree.
- About 40 percent of SCWIA workers were employed in high-skill white collar occupations in 2000, another 40 percent in lower-skill white collar occupations, and less than 20 percent in blue collar occupations. Workers in the two latter occupational groupings are more likely to need skills upgrading or retraining.
- The SCWIA has a higher proportion of workers nearing retirement and a lower proportion preparing to enter the workforce compared to state and national averages. Consequently, the SCWIA may be more dependent than average on aging workers and, therefore, feel the effect of baby boomer retirement more acutely than regions with younger workforces.
- Immigrants comprised 8 percent of the SCWIA population in 2000 and evidence shows that this percentage has increased since then. The foreign born population is concentrated in a handful of communities, mostly in the northern sub-area.
- Only about 2 percent of SCWIA's working-age residents had limited English proficiency in 2000 although, based on evidence that the immigrant population has increased since then, this percentage is likely to have risen. Most individuals with limited English proficiency have low levels of educational attainment. However, there are also those with postsecondary degrees who cannot use their skills in the workplace because of language barriers.
- As a whole, SCWIA residents are relatively prosperous. Per capita income exceeded the state average in 1999 and the poverty rate was far lower. However, many households are still struggling to make ends meet. Approximately 44 percent of all households and 33 percent of family households in the SCWIA had

incomes under \$60,000 in 2006, roughly the amount that studies cite as the minimum self-sufficiency standard for the average family with two children.<sup>1</sup>

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<sup>1</sup> Crittenden Women's Union, *Family Economic Self-Sufficiency Standard for Massachusetts*, and Economic Policy Institute, *Basic Family Budget Calculator for the Boston Metropolitan Region*.

## **YOUTH—THE SCWIA'S EMERGING WORKFORCE**

Chapter 4 provides a profile of the emerging workforce, including educational performance, English language skills, and economic status. Among the key findings:

- Measures of educational achievement for the SCWIA's secondary schools are mixed. While several school districts perform extremely well with MCAS scores and high school graduation rates, others are lagging. Seven districts can be characterized as low-performing on the basis of a combination of MCAS scores and graduation rates.
- English language proficiency issues are primarily concentrated in two districts, Quincy and Randolph. Over three-quarters of the students in the SCWIA with limited English proficiency attend schools in these districts. Students with limited English language proficiency are particularly vulnerable to dropping out of high school.
- While youth poverty in the SCWIA is low by state and national standards, it is still higher than for most other age groups. In addition, children living in families headed by single mothers are more likely to be poor than children living in two-parent or male-headed families. Young people who drop out of school or are at risk of doing so are disproportionately poor.

## **KEY INDUSTRIES IN THE SCWIA**

Chapter 5 describes trends in employment and occupational demand among five industry sectors that are major sources of regional employment: healthcare, retail, construction, finance and insurance, and leisure and hospitality. These industries are all major SCWIA employers, comprising five of the area's six largest industries. Four of the five have expanded in recent years and all offer significant employment opportunities for entry-level workers. Among the key findings:

### **Healthcare**

- SCWIA employment has grown rapidly in recent years, and employment opportunities are very strong across a range of occupations.
- Statewide, employment is projected to increase rapidly through 2014, generating more than one-quarter percent of all new non-farm wage and salary jobs.
- SCWIA employers report difficulty filling a wide range of positions. Among hospitals, these include registered nurses, technical positions such as radiological technologists and technicians, physical therapists, occupational therapists, and skilled clerical positions such as medical record coders. Residential care facilities report difficulty filling nursing assistant and home health aide positions.
- Because of the large number of jobs with low skill requirements, the industry is a plentiful source of entry-level jobs for workers with limited education levels. However, these positions pay low wages and limited benefits, and there are very few avenues for advancement to higher-paying jobs without a significant investment in education and/or training.

### **Retail Trade**

- SCWIA employment has grown slowly in recent years and actually declined in 2006. However, despite slow industry growth, employment opportunities are extensive due to high turnover.
- Statewide, the industry is projected to grow slowly through 2014, although strong demand for retail workers is expected to continue because of high turnover.
- The industry is a plentiful source of entry-level jobs for workers with limited education. At the same time, high turnover rates that create so many jobs point to the low wages paid by these jobs. Career ladders are also limited, although there are opportunities for advancement to first-line supervisory and sales positions in higher-paying retail segments. Most higher-level positions require postsecondary degrees.

## **Construction**

- SCWIA employment has grown moderately in recent years. However, job opportunities appear limited. The construction industry and construction occupations have very low vacancy rates.
- Statewide, the outlook is not favorable. Employment is projected to decline through 2014, and this projection was made prior to the severe downturn in the housing market in 2008. However, major construction projects planned, proposed, or in progress in the SCWIA could boost construction demand.
- The industry is a good source of relatively high-paying jobs for individuals without postsecondary degrees. Benefits also tend to be very good for union workers and employees of large contractors. However, in most entry-level occupations, workers must complete a rigorous apprenticeship program in order to become a skilled tradesperson. Once in the trades, workers can move into first-line supervisory positions with on-the-job training.

## **Finance and Insurance**

- SCWIA employment has declined slightly in recent years. However, trends within the industry have differed; banking and investment have declined while insurance has grown rapidly.
- Job opportunities are limited, with very low job vacancies. At the same time, office and administrative support occupations, including customer service, ranked high in the number of vacancies among major occupational groups. This indicates that while unmet demand for workers as a whole is very low, it is higher for customer service representatives and other office and administrative support positions.
- Statewide, employment prospects are not favorable, with employment projected to increase slowly through 2014. However, Massachusetts' new healthcare reform law has increased demand for health insurance, which may lead to employment growth in that industry segment. Moreover, strong demand is projected for customer service representatives during the next several years.
- Customer service representative positions appear to be the most favorable entry point into the industry for entry-level workers. Advancement into supervisory positions is possible with no additional formal education. Higher-level positions generally require postsecondary degrees.

## **Hospitality and Leisure**

- SCWIA employment has grown briskly in recent years, particularly in the leisure and food services segments, and jobs are plentiful. Most of these jobs were in food preparation and serving occupations. Restaurant and hotel employers report intense competition for employees and difficulty filling a range of positions.
- Employment opportunities are expected to remain strong in coming years. Statewide, industry employment is projected to grow rapidly through 2014. Particularly high demand is projected for food preparation and food serving workers. At the local level, a number of recent hotel projects reflect growing tourism activity. Potentially, the most dramatic growth could come from the proposed casino-resort in Middleborough.
- Opportunities for entry-level, low-skill workers are clearly plentiful. However, wage levels and benefits are typically low, and many entry-level jobs are part-time. Career ladders are also limited. Some opportunities exist for kitchen and wait staff to move into first-line supervisory positions. There are also opportunities for more experienced restaurant workers to increase wages by obtaining jobs at higher-quality establishments. Higher-level positions generally require postsecondary degrees.

## **Additional Industry and Occupational Employment Opportunities**

While the analysis of employment opportunities focused on the above five industries, there are a number of other employment opportunities in the SCWIA worth noting. These include food processing, marine and automotive services, truck driving, and office and administrative support occupations.

## WORKFORCE DEVELOPMENT RESOURCES IN THE SCWIA

The task of matching workforce supply and demand in the SCWIA is assumed by the network of education and training providers and workforce intermediaries sometimes referred to as the regional workforce development system. This network includes adult basic education programs, occupational training programs, postsecondary educational institutions, industry and employer-based workforce training programs, and youth education and employment programs. Publicly-funded One-Stop Career Centers play an intermediary role by matching jobseekers with employers, and connecting eligible job-seekers with funded training programs. Chapter 6 inventories and describes these resources.

## CRITICAL WORKFORCE DEVELOPMENT ISSUES AND CHALLENGES

Chapter 7 identifies critical workforce development issues and challenges facing the SCWIA. These include: 1) issues that are hindering the ability of workers to find and retain living-wage jobs and of employers to find and retain qualified workers; and 2) gaps in workforce development resources that lessen the capacity of the workforce development system to address these issues.

### The Labor Market

A range of factors lessen the efficiency of the SCWIA labor market in matching workers with employers. Among the key findings:

- **Limited career aspirations among non-college-bound youth.** Young people who have struggled in traditional educational programs or do not plan to attend college have difficulty establishing and following through on career goals.
- **Low educational attainment.** Graduation rates in some school systems are too low and MCAS failure rates too high. Moreover, too many workers lack a postsecondary degree.
- **Poor job search skills.** Many jobseekers that are new to the job market or have not had to look for work for many years do not understand the basics of how to conduct a job search.
- **Poor basic work skills.** Many available jobs in the SCWIA require very little occupational training, including many entry-level positions in the retail and hospitality industries. Yet, many employers report difficulty hiring and retaining employees because of poor basic work skills.
- **Linguistic barriers for immigrant workers.** Limited English language skills are a significant barrier to employment for many immigrants. While the area's immigrant workforce is not large overall, it is significant in a number of communities and is growing.
- **Limited career pathways for entry-level workers in certain high-demand industries.** While industries such as retail, healthcare, and hospitality provide many employment opportunities for entry-level workers, they also offer limited opportunities for advancement without significant investments in higher education and/or advanced training.
- **Skills obsolescence.** Many workers, particularly mature workers with limited postsecondary education, are faced with skills obsolescence as the economy evolves.
- **Graying of the workforce.** Given the demographics of the SCWIA and the impending retirement of many in the baby boom generation, the aging of the remaining workforce may be felt sooner and more intensely than in some other parts of the state. In addition, a growing number of mature workers are taking low-wage and part-time jobs to supplement their retirement income, which affects access to entry-level jobs for younger workers.
- **Employer human resource practices.** While employers must have the discretion to establish human resource policies and practices, hiring practices such as requiring work experience or disqualifying applicants with criminal records may in some instances create unnecessary employment barriers.
- **Childcare gaps.** Lack of appropriate and affordable childcare poses a serious barrier to employment. Childcare gaps identified by human service providers include a shortage of state childcare vouchers for

low-income parents and shortages in infant and toddler childcare and after-school programs in some communities.

- **Transportation barriers.** Lack of transportation reduces access to employment, job training, and childcare for workers without reliable private vehicles. For low-income individuals, the ability to own and maintain a vehicle is problematic, particularly as gasoline prices increase. This is a particular problem in the southern sub-area, where public transportation is very limited.

### The Workforce Development System

The SCWIA's workforce development system faces a number of challenges in addressing the workforce development needs of workers and employers. Among the key findings:

- **Limited employer engagement with the Career Centers.** The Career Centers can only succeed with active engagement and participation of local employers. While many employers use Career Center services and are pleased with the results, many others are not aware of what Career Centers offer or do not see Career Centers as useful in meeting their particular needs.
- **Limited availability of adult basic education (ABE) programs.** While the availability of affordable GED programs for adults is seen as adequate in the northern sub-area, there are few programs in the southern sub-area. The availability of affordable ESOL programs is also highly inadequate, with too few slots and often inconvenient scheduling.
- **Weak linkages between ABE and occupational training, employment, and further education.** Weak linkages between ABE programs and jobs or occupational training make it more difficult for ABE graduates to develop occupational skills, find employment, and/or move onto postsecondary education.
- **Occupational training gaps.** In spite of the large presence of the retail and financial services industries in the SCWIA, no schools offer customer service training programs. There are also few programs serving the hospitality industry, such as culinary arts and restaurant or hotel management. And, there are no programs offering truck driving training.
- **Traditional program formats and scheduling of occupational training programs.** Most of the occupational training programs in the area are provided by colleges and public vocational schools and are often ill-suited to nontraditional students, such as unemployed workers who cannot wait several months for a program to begin, or employed workers who need to schedule education around their workday.
- **Adapting occupational training to new training technologies.** Online training is becoming an increasingly important part of the occupational training landscape. These programs have important advantages, including ease of access and scheduling flexibility. Yet, Career Center staff report that some of their clients have difficulty functioning outside the structure and discipline of a classroom environment.
- **Weak linkages between occupational training programs and employers.** While some employers express satisfaction with the area's occupational training programs, others feel that they are not always well-aligned with employer needs in terms of both program availability and content.
- **Accessibility barriers to occupational training.** Because of the limited number of well-suited occupational training programs located within the boundaries of the SCWIA, many residents need to leave the area for training. This presents particular difficulties for individuals without private vehicles or access to public transportation. The problem is more acute in the southern sub-area, which has fewer program offerings and very little public transportation.
- **Gaps in postsecondary degree programs.** The most serious gaps in postsecondary degree program capacity are in the nursing and allied health fields. One key bottleneck is the shortage of nursing instructors. Capacity shortages are also reported in growing medical technology fields, notably radiology.
- **The high cost of postsecondary education.** The cost of public higher education is greater in Massachusetts than in most states, and has risen dramatically in recent years. At the same time, the average size of federal higher education grants has declined, and the tightening credit market has reduced the availability of student loans.

- **Inadequate career preparation for youth.** There is not enough collaboration between employers and educators on career development initiatives that will help students successfully transition into the workforce and help employers find more entry-level workers who are prepared to work in local jobs.
- **Shortage of GED and occupational training programs targeted to out-of-school youth.** Programs targeted to out-of-school youth programs typically require smaller classes, more intensive case management, and access to a variety of support services that will help them stabilize their lives.
- **Insufficient funding and overly restrictive eligibility standards for WIA-funded youth programs.** All of these programs are already at capacity, and successful programs that are restricted to residents of a few communities cannot be expanded to other communities that need them. Moreover, many low-income youth are not eligible because of extremely low income ceilings imposed by the federal government.

## **SOUTH COASTAL WORKFORCE DEVELOPMENT RECOMENDATIONS**

Chapter 8 synthesizes the analysis and findings from the previous chapters into a set of broad recommendations to guide regional stakeholders as they work collaboratively toward solutions to the region's workforce development challenges. Among the key recommendations:

- **Increase educational attainment.** MCAS scores in some school systems must be improved and graduation rates increased. Moreover, the percentage of adults with postsecondary degrees must be increased. This will require making postsecondary education more affordable and accessible.
- **Strengthen career preparation for youth.** Public education systems need better knowledge of workforce demand within the region. Working in partnership with employers, they also need to expose students to a range of career options.
- **Improve job readiness of entry-level workers.** Entry-level workers must fully understand the expectations of the workplace, become more motivated to satisfy these expectations, and obtain the training and preparation necessary to do so.
- **Target high-demand occupations.** These include retail salespersons and cashiers in the retail industry; registered nurses, nursing aides, and home health aides in the healthcare industry; waiters and waitresses, combined food preparation and serving workers, and food preparation workers in the hospitality industry; and customer service representative in the finance and insurance and other industries.
- **Provide living-wage career opportunities.** Many jobs in high-demand occupations do not provide a living wage. This underscores the need for promoting higher educational attainment for emerging workers and providing additional skills training for incumbent workers.
- **Develop cross-industry and cross-occupational career pathways.** Many high-demand occupations in retail, hospitality, and healthcare present limited opportunities for career advancement within a single firm or industry. Entry-level workers in these industries need to be able to leverage the skills gained in entry-level jobs through the development of cross-occupation and cross-industry career pathways.
- **Increase employer engagement.** More employer input and involvement is needed with the public education system, occupational training programs, and the Career Centers to ensure that the workforce development system is aligned with employers' needs. At the same time, there is a need to engage in a dialogue with employers about how to make human resource practices more worker friendly without sacrificing workforce quality.
- **Address the special needs of immigrant workers.** English language training and workplace skills training should be more closely integrated. Training should also be calibrated to take into account differing levels of educational attainment.
- **Adapt to demographic change.** The graying of the workforce will require increased attention from the employer and workforce development communities as baby boomer retirements accelerate during the next 10 to 15 years. This will involve efforts to both retain older workers and to rease the pipeline of younger workers.

- **Take into account sub-area differences.** Differences between the SCWIA's northern and southern sub-areas must be taken into account in designing workforce development programs and services.
- **Reduce cross-border workforce flows.** Efforts to better match labor force supply and demand within the SCWIA through more targeted workforce training and business recruitment efforts can yield important benefits, including support for local businesses, reduced commuting time for workers, reduced traffic congestion, and improvements in environmental quality.
- **Address workforce development program gaps and limitations.** The analysis identified a number of program gaps and limitations that the region must address.
- **Address gaps in employment support services.** Gaps in childcare and public transportation, essential for some workers to succeed in the workforce, must be addressed. Affordable, quality childcare, particularly for low-income workers, must be made more widely available, and before-school and after-school programs for older children must be expanded. New models to increase workforce transportation options should be explored and adopted.