

## **Lehigh Valley Community Jobs Forum**

### **The Employment Outlook**

The Lehigh Valley currently has the highest unemployment rate since the early 1980's....9.8%. Although the rate of unemployment is the highest it has been since 1986 it does not take into account the number of discouraged workers and others who are marginally attached to the labor force. Over 45,400 or 10.9% are collecting unemployment benefits which can provide up to 93 weeks of unemployment compensation at an average of \$500/ per week.

Nationally, Total unemployment, part-time and "marginal" employment is 17.3% of the workforce or 26.5 million people.

While most economic data indicate that the economic recession is over, net job losses and the unemployment rate will most likely continue to climb until mid two thousand ten.

All of our employment clusters including Business and Financial Services, Diversified Manufacturing, Information and Communication, Energy Related Manufacturing and Services .....lost jobs over the past year with the exception of education, Healthcare and life sciences which was up by 1% *and* accounts for 17% of all jobs in the Lehigh Valley....*and* pays 113% of the average wages in the Lehigh Valley which currently is \$42,950.

#### **Workforce Issue Number 1**

1. There are 17,000 fewer employed people than this time last year and 10,200 fewer employment opportunities.

All this turmoil in an economy that has 15,200 employers... dominated by small to medium sized employers.

The average employer in the Lehigh valley has 18 employees.

10,000 of the 15,200 employers have only 9 or fewer employees.

There are 400 employers that employ over 100 workers.

And 18 employers that employ over 1,000 workers.

Because the general workforce population is really only now beginning to understand what a *global economy mean...* it has accelerated our workforce system to teach people about the job and labor market, and train them only in high priority occupations forecasted by the private sector to be in demand.

According to the US Department of Labor, the majority of the fastest growing occupations require a two-year degree or some level of postsecondary education. The new high school degree is an Associate's Degree, the new Bachelor's Degree is a Master's Degree.....and the beat goes on.....Did you know that of our population, only 32% have an Associate Degree and only 26% have a Bachelor Degree or above?

### **Workforce Issue Number 2**

2. We need to increase the number of workers with higher degrees. 52% of all engineers and scientists are over the age of 50. 44% of all government workers are 45 and older. The average age of all skilled machinists in the US is 50. The average age for all construction workers is 47. One in every 8 jobs will be in health services. And in the next 5 years, 47% of all nurses are able to retire, just when the aging population needs them. 50% of all managers in manufacturing plants across the US are able to retire. In 2009, 52% of all jobs required some college and technical training. This year, 1 in 3 American HS students will leave school without a diploma. Even in this economy over the next 10 years, 40% of the entire workforce in the United States is eligible to retire.

Business and Industry owners are now just starting to worry about who will run their businesses even though they are still laying off more people than they hire. While there is some increase in hiring there are no broad-based indications that employers plan to hire or bring back large numbers of employees. Some employers are increasing hours for existing staff and adding temps when needed. But for the first time in over a year they are laying off less...hiring more and focusing on their future.

We still see companies continuing to down size or right size which continues to increase the numbers in our third workforce dilemma which is:

### **Workforce Issue Number 3**

3. We have an oversupply of labor unskilled for projected job opportunities.

The available workforce supply that has the necessary skill sets and necessary workplace attitudes continues to fall short of employer expectations. Therefore, we are encouraging people to go back to school. Get certified, get a degree, get training....get going while you are collecting unemployment and while you have the time away from work to increase your skills.

Even in this economy we have a shortage of mechanical, electrical and chemical engineers. There is a shortage of workers with skilled trades background especially in industrial maintenance and machining. We are finding that back office operations

and local call centers are still experiencing difficulty in recruiting qualified people....although their turnover rates have slowed in this economy.

More and more production jobs require higher levels of skills and or higher academic levels...they require more decision making skills then needed in past decades and skills such as mechatronics for those who work on the production line while working with computerized programs. Mid level management people are available but have substantial skill and or education gaps. Due to the economy more of these individuals are applying for entry level jobs, and people that are working are looking for additional part time work to supplement their income.

Business and Industry require workers to be skilled and qualified for work. In this economy employers can and are hiring applicants who are over-qualified, further closing employment opportunities to job seekers with minimum skills and education...which leads me to issue Number 4:

#### **Workforce Issue Number 4**

4. This is the first time since the 80's that we are dummying down resumes to create entrance into entry level jobs!

Employers continue to realize that fringe benefits especially medical benefits and work life balance are critically important to workers even in this economy.

Accessible transportation continues to be a challenge for many job seekers, and business continues to express a lack of certain...soft or basic skills in workers.

Because of the number and skill level of the unemployed we are:

#### **Workforce Issue Number 5**

5. Challenged to deal with a complete spectrum of unemployed with very different skills.

So what do we do with this complete spectrum of unemployed? We market which high priority occupations are expected to show the greatest growth over the next decade like "Eds" and "Meds", and information services, the skilled trades and engineering.

The two largest employers in the Lehigh Valley are Lehigh Valley Health Network and St. Luke's Hospital and Health Network, together employing more than 16,300 people. When combined with Sacred Heart Hospital, Easton Hospital and good Shepherd Rehabilitation Network, these employers account for more than 6 percent of the total workforce in the Lehigh Valley!

You can be sure we are communicating this to the entire workforce!

In this turbulent economy the economic landscape is constantly changing. In recent years we have been one of the primary job generating areas in the mid Atlantic region. In the past year we have had an increase of 34% of companies closing with a 139% increase of affected workers. There has been a 65% decrease in job orders over the past two years. Competition for work continues to increase and skill sets are absolutely necessary. Employers are extremely selective in hiring only the most qualified workers, which is having an adverse impact on workers who are disadvantaged due to lack of education, training and skills.

The number of job openings listed in the morning call and express times is substantially lower, new businesses have experienced either construction or start up delays and trucking companies have changed their hiring policy from accepting newly trained drivers to requiring two years experience.

We have seen a 45% increase in Initial Unemployment benefit's claimants over the past three years. There is a 76% increase in long term unemployment over the last three years and at least 20% of our population is below the basic literacy level, and this number is increasing!

There has been a 110% increase of professional workers using PA CareerLink... companies now require online applications and testing and often the public has little or no computer skills. We have seen a 54% increase in computer related workshop requests and our Intensive Job Club has increased by 92%.

Now that we have access to almost the entire under and unemployed population we need to prepare them for what we call the new Knowledge Economy....with a workforce that indicates one in three Pennsylvania high school graduates who enroll in a state owned university or community college cannot pass a first year college math or English course. Should I repeat our sixth workforce Issue?

### **Workforce Issue Number 6**

6. One in three Pa high school graduates who enroll in a state owned university or community college cannot pass a first year college math or English course.

In order to compete in a global economy, the Lehigh Valley needs a highly-educated and proficient workforce and that includes all of us trying to strategically untangle Charlotte's web!