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Navigating North Carolina's Talent Crisis

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Navigating North Carolina's Talent Crisis

By: Meredith Archie, NC Chamber Foundation President

Employers in nearly every industry, from all corners of our state, consistently identify workforce as their number-one challenge.

A recent analysis by the NC Chamber Foundation showed that in 78 of North Carolina's 100 counties, employment was growing faster than the labor force. That means for jobs requiring some sort of post-secondary education (certificate, associate's degree, bachelor's degree), there is very little slack in the existing labor market.

The state of play

Employers are identifying an expanded talent pool as a top priority. North Carolina has the third highest in-migration rate in the country and will continue importing talent from other states and countries. However, immigration restrictions and reduced housing supply are limiting factors.

In a tight labor market, upskilling strategies are a necessity for both talent retention and recruitment. And its clear employers are renewing their focus on upskilling. More than 300,000 adults aged 25 to 44 have attended some college but not obtained a degree. This could include both 4-year colleges and community colleges. This population has unique needs compared to recent high-school graduates. Many have existing jobs and families. They have the capacity for upskilling but need a strong support system.

Expanding diversity within the workforce, particularly high-skill positions, is critical to meet job demand. Across the country, there are clear educational attainment gaps based on race, income, and other factors. Some initial data suggests that the pandemic could have widened those gaps. There are a range of actions at both the state and federal level that are aimed at closing those gaps.

Businesses and their education partners are also creating new programs to raise attainment levels for targeted populations (opportunity youth, formerly incarcerated, former military).

Employers taking action

Back in March, the NC Chamber Foundation launched its Institute for Workforce Competitiveness to drive greater businesses to collaboration by industry sector and region. In addition, the Institute identifies businesses that are creating innovative workforce solutions.

Employer-led solutions are the most effective way to meet our workforce challenges, which is why the Institute is elevating success stories. It's critical that employers learn from each other, and by working together with public partners, will help grow the labor force.

When companies collaborate with their education partners, one action they can take is assessing unnecessary barriers to entry for higher skill jobs. For example, some large employers are starting to examine their job requirements and eliminate unnecessary degrees. This has been a point of emphasis for the <u>OneTen</u> initiative, which seeks nationally to increase employment for Black talent.

To help meet this goal, businesses are examining their partnerships with educational institutions. Historically Black Colleges and Universities are a distinct asset to our state's education system and are attracting new levels of private investment.

Raising the overall post-secondary attainment level is also critical—which is why the NC Chamber supports myFutureNC's goal to equip 2 million individuals with post-secondary degrees or certificates by 2030. That is what it will take to meet demand.

<u>Data</u> shows individuals with just a high-school degree have a labor-force participation of 66%, while those with a college degree have 80% labor-force participation. That gap is one reason why several community colleges are piloting the NC Reconnect program, which seeks out former students who made progress toward a degree or certificate. These colleges have tailored case management programs to help get these adults back into school to complete a degree.

Building talent pipelines

Employers within specific industries will benefit from working together to boost talent pipelines, and, through the Institute for Workforce Competitiveness, we have identified common themes from North Carolina's employers.

- Businesses want better ways to move workers through training pathways.
- Education programs are not always aligned with open jobs.
- There is an inadequate network of social supports, such as childcare and housing, for helping individuals transition into higher-wage careers.

To truly tackle talent-supply shortages statewide, businesses need employer-led strategies and data-driven action. Anecdotal information only goes so far when it comes to identifying and applying sustainable solutions.

With the NC Chamber Foundation's <u>Talent Pipeline Management</u> (TPM) program, employers work together to collectively identify the necessary skills and training needed for high-demand jobs. This type of collaborative work is important for education providers, so they know how to create training programs that produce workers for the right jobs.

The TPM method calls on employers to work together in determining which in-demand skills clearly define their workforce pain points and priorities. Rather than compete for talent, these employers collaborate to achieve short- and long-term solutions for their labor force needs.

TPM Academy graduates are employers, education providers, local chambers, business associations, and economic development groups who share common goals: to ensure North Carolinians have the right skills for rewarding jobs and employers have access to a talent pool of qualified workers statewide.

In North Carolina, <u>Gaston Business Association</u> (GBA) Strategic Initiatives Director Vincent Ginski, a September 2021 TPM Academy graduate, is currently implementing the TPM method to help manufacturers around Gaston County fill the industry's pipeline with skilled workers. You can learn more about their experience from this video.

Recognizing the benefits of working together rather than trying to solve the workforce crisis in silos, 24 manufacturers in the Gaston region shared critical data on their labor demands and skill gaps.

Business leaders understand that competing over a shrinking labor force within an industry is not a sustainable practice. The strength and success of a TPM industry strategy comes from the

philosophy that collaboratives amplify the voice of many to name the need, creating a shared value and accountability model for the group.

Maintaining our #1 status

Workforce challenges are not unique to our state, but if we are going to maintain North Carolina's position as a top place to work and live, we must come together to lead the way on solutions. Our diverse business community and world-class education systems position us well to lead. The NC Chamber Foundation is proud to be a convener and collaborator and welcomes the opportunity to connect with your association as we work together to secure North Carolina's future talent.

About the author

Meredith Archie serves as president of the NC Chamber Foundation. She directed communications for the NC Chamber and NC Chamber Foundation from 2011 to 2015. Ms. Archie leads the Foundation's competitiveness institute activities, oversees commissioned studies, and provides guidance on public policy issues to achieve the goals set out in North Carolina Vision 2030, the NC Chamber Foundation's long-range plan developed with North Carolina's job creators to secure a more competitive future. Before returning to the NC Chamber, she managed corporate communications, developed stakeholder engagement, and served as company spokesperson at Duke Energy.

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