

## ***Business and Accounting – A Closer Look***

**Randy Johnson**

**Executive Director**

**Workforce Development, Inc.**

**February 21, 2012**

**RCTC**



# Workforce

DEVELOPMENT, INC.

*Working together to strengthen our future*



- **Regional administrative agency for WIA**
- **Non-profit of 28 years**
- **Mission – to develop and advance the workforce**
- **Make financial investments around targeted industries and occupations**
- **[www.workforcedevelopmentinc.org](http://www.workforcedevelopmentinc.org)**
- **Also on ISEEK and MinnesotaWorks.net**

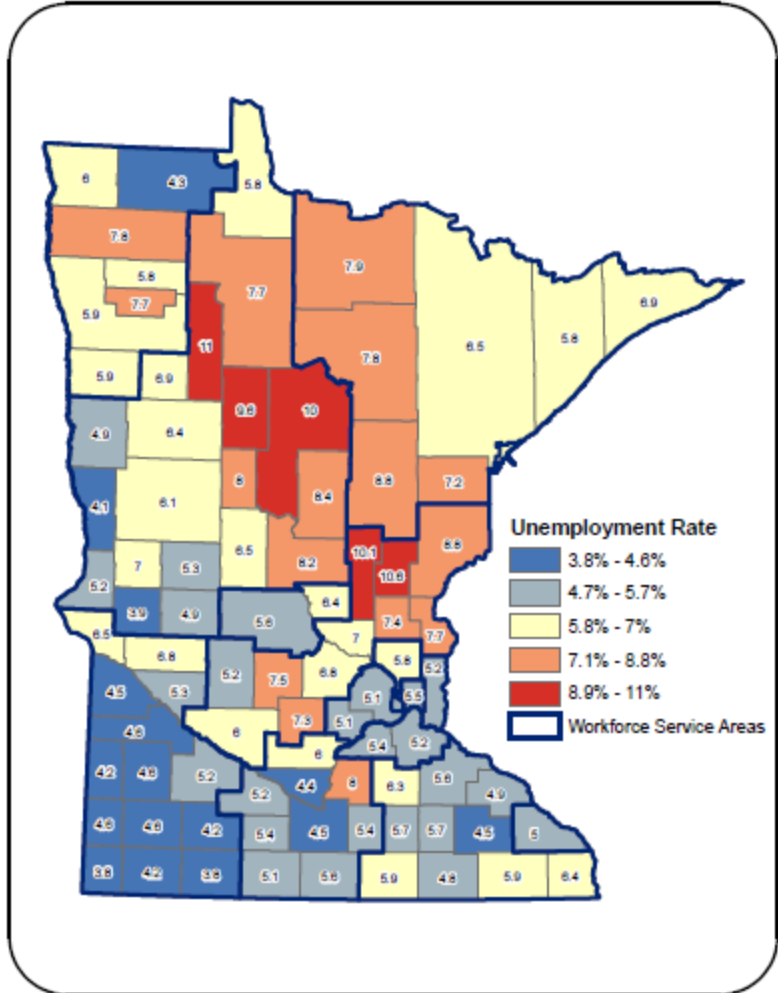
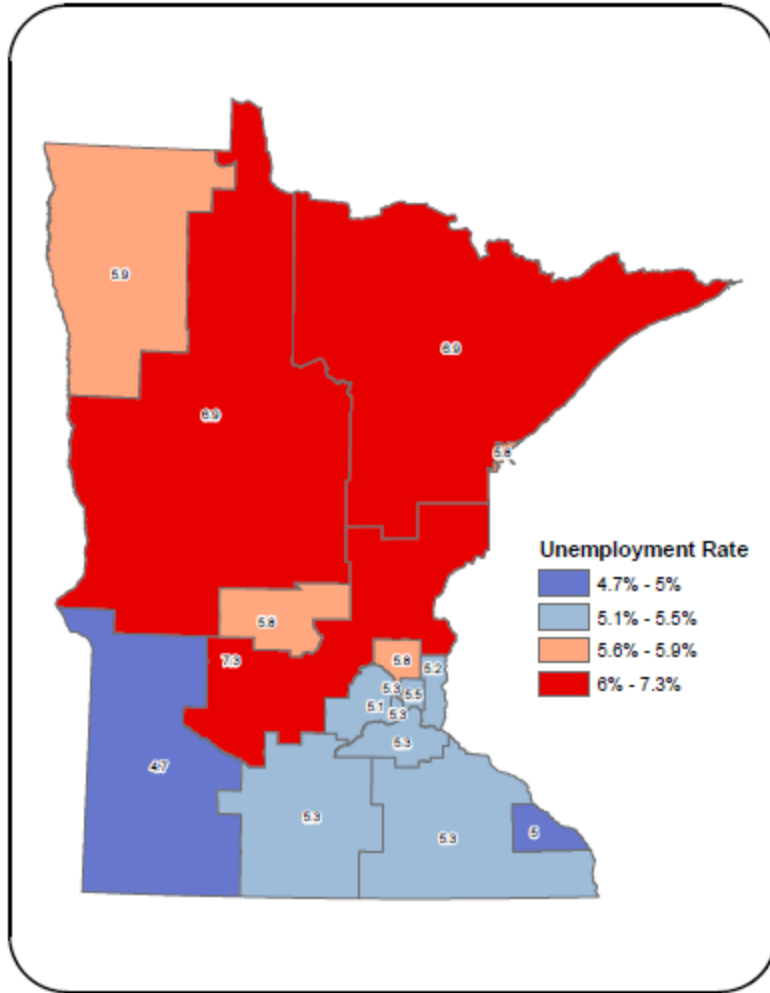
**Workforce**

DEVELOPMENT, INC.

*Working together to strengthen our future*

# Unemployment Rates in Workforce Service Areas and Counties, Dec 2011

State of Minnesota = 5.7% (not seasonally adjusted)



Source: MN DEED, LAUS  
 Prepared by DEED (ABR)  
 Jan 19, 2012

# National Labor Market

- **Slowest population growth rate in history due to recession (.7% annually)**
- **10,000 baby boomers reach retirement daily**
- **80% of all occupations have more replacement needs than growth**
- **Immigration rates have dropped by 150,000 per year**

# Education

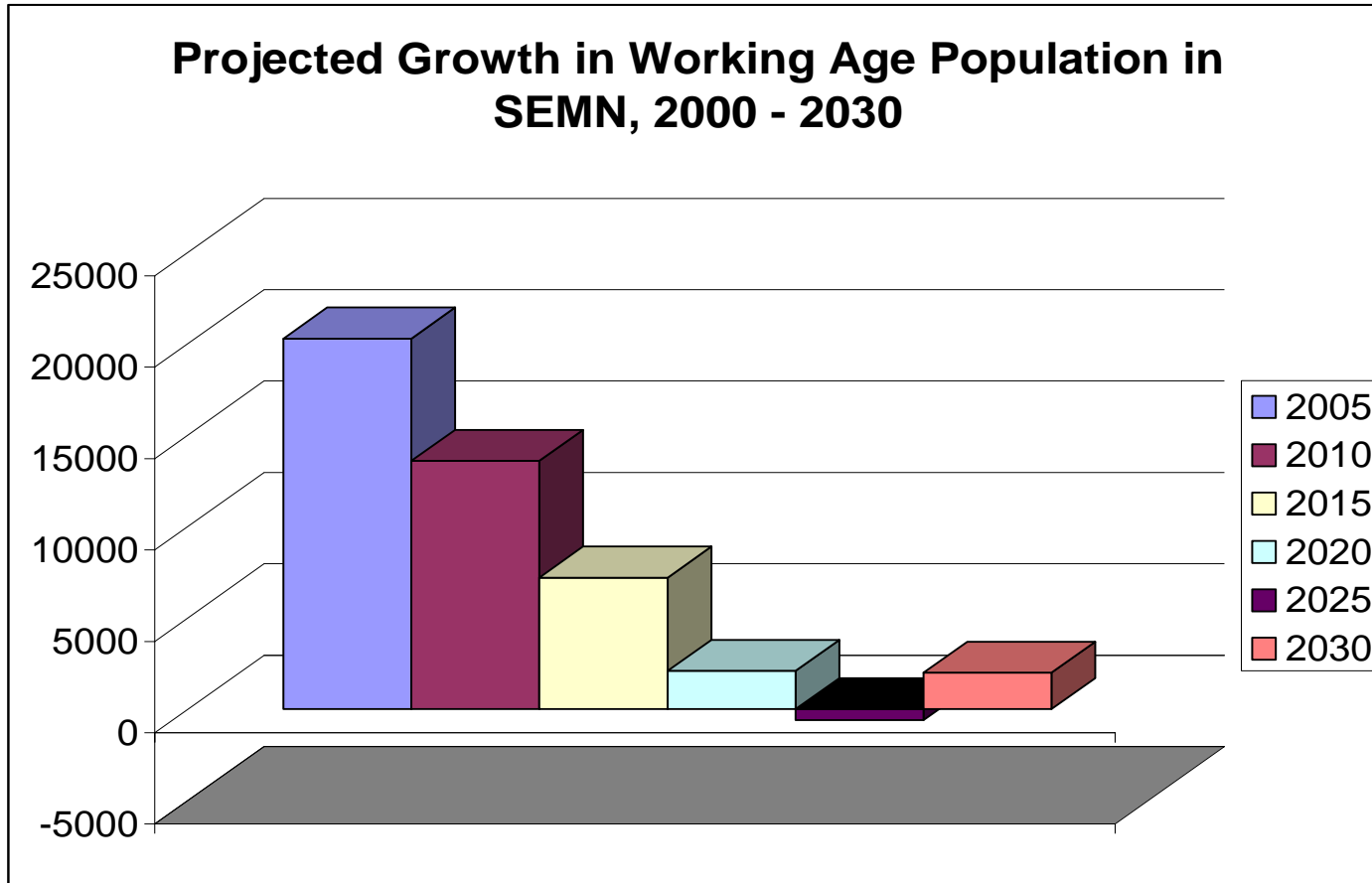
- **Carnevale** – 70% of jobs by 2018 will require post secondary education
- **DOL-BLS**
  - 17 out of the 30 occupations with fastest growth need post secondary education
  - 18 of the 30 occupations with largest number of jobs need only a high school education
  - occupations requiring a masters degree will grow faster than all others

*How do we make sense of this?*

# National Business Occupation Growth 2010-2020

<b>Business and financial</b>	<b>1 million new jobs</b>	<b>+17.3%</b>
<b>Office and admin support</b>	<b>2.3 million new jobs</b>	<b>+10.3%</b>
<b>Postal workers</b>	<b>Loss of 138,000 jobs</b>	<b>-48.2%</b>
<b>Data entry &amp; word processing</b>	<b>Loss of 29,000 jobs</b>	<b>-11.5%</b>
<b>Computer operators</b>	<b>Loss of 7,000 jobs</b>	<b>-8.6%</b>

# Working with a Changing Labor Pool



# **SE MN Occupations Still Lagging in Recovery 2010-2012**

- **Construction**
- **Transportation and warehouse**
- **Protective services**
- **Management**
- **Public administration**
- **Real Estate**



# **SE MN Occupations Leading the Recovery 2010-2012**

- **Information technology**
- **Finance and insurance**
- **Professional and technical services**
- **Architecture and Engineering**
- **Health care practitioners**
- **Sales**

# **SE MN Business and Accounting Occupations with the Most Retirement Concerns 2009-2019**

- **Insurance agents**
- **Claims adjusters**
- **HR specialists**
- **Management analysts**
- **Accountants and auditors**
- **Tax preparers**

# Education in Recovery 2010-2012

	Unemployment decreased
13-15 Yrs Ed	10.4%
Ed Over 15 Yrs Ed	9.2%
HS/GED	8.4%
Female	13.2%
Male	7.1%

# Leading Industries for Business and Financial Occupations in SE MN 2009-2019

1. Education and health services 2,230 openings
2. Manufacturing 1,510 openings
3. Financial activities 1,500 openings
4. Professional and business services 1,270 openings

*\* Virtually all private businesses employing business and financial occupations in SE MN are less than 100 employees*

# SE MN Business and Accounting 2009-2019 with 1-2 Years Post Secondary Education

<b>Billing clerks</b>	<b>\$18.99/hr</b>	<b>+13.7%</b>	<b>+333 jobs</b>
<b>Customer service reps</b>	<b>\$15.20/hr</b>	<b>+24.6%</b>	<b>+1,296 jobs</b>
<b>Executive secretary</b>	<b>\$20.01/hr</b>	<b>+14.7%</b>	<b>+606 jobs</b>
<b>Medical secretary</b>	<b>\$19.19/hr</b>	<b>+25.8%</b>	<b>+834 jobs</b>

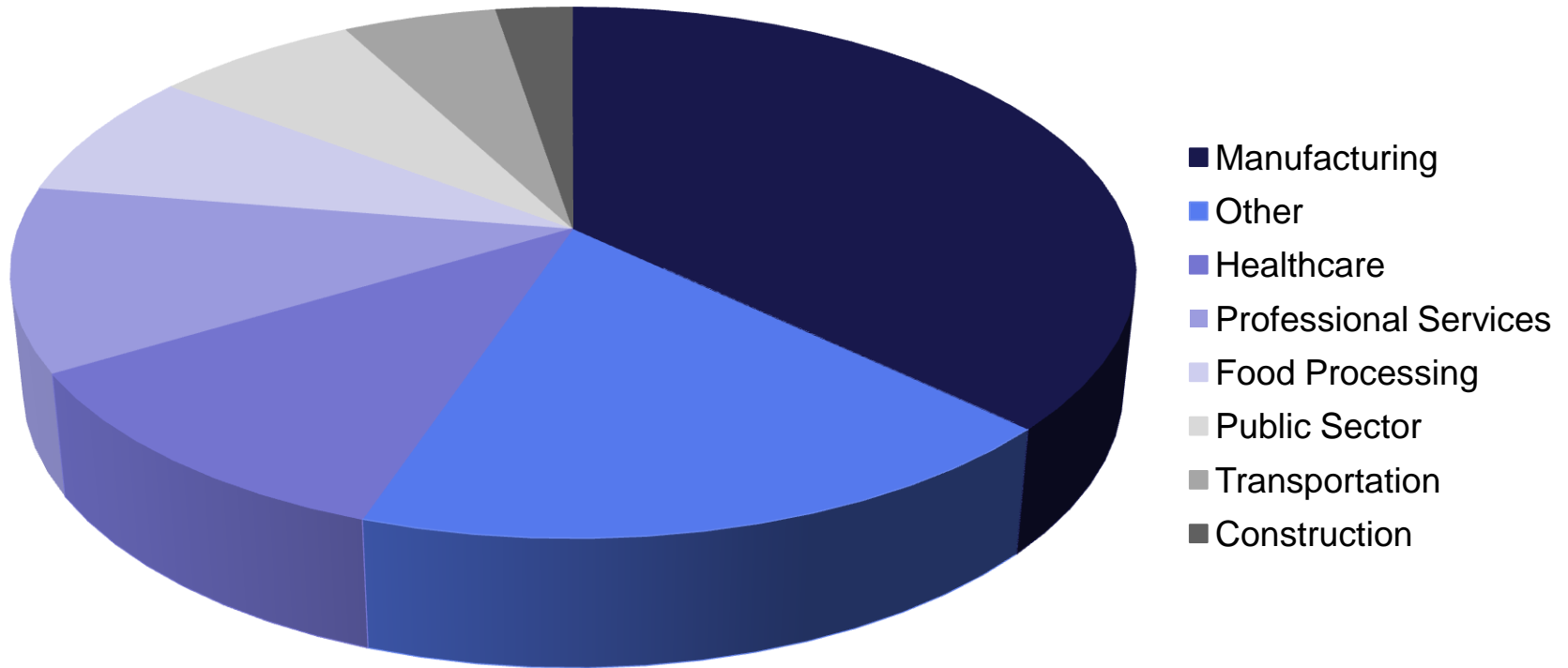
# SE MN Business and Accounting 2009-2019 with 3-4 Years Post Secondary Education

Claims adjusters	+19.4%	+87 jobs
Insurance underwriters	+26.8%	+43 jobs
Personal financial advisers	+24.2%	+40 jobs
Loan officers	+11.5%	+124 jobs
Corporate benefits admin	+25%	+35 jobs
HR specialists	+16.9%	+182 jobs

# Skills Gap Survey - Design

- Targeted living wage employers who have hired in the last 2 years
- 137 employers = 1% of employers & 27% of jobs
- Surveys conducted in person and online between 12/6/11 and 1/17/12

# Skills Gap Survey - Sectors





# Review of Data

Predicted job  
growth in 2012

- **30%** expect growth
- **60%** expect to stay about the same
- **10%** expect to cut back

# Review of Data

Most effective  
recruitment  
methods

(other than IBM  
and Mayo)

1. Promote from within
2. Employee referrals
3. Business associate referrals
4. Internet
5. WorkForce Center/  
Minnesota Works

# Review of Data

## Recruitment tools

- **65%** report the internet has become an important part of their recruitment strategy
- **47%** currently post openings in MN Works
- **25%** use social media as a recruitment tool (LinkedIn/Facebook)
- **34%** use recruiting specialists to find employees for hard-to-fill positions

# Review of Data

## Labor shortage indications

- **15%** are now willing/able to pay hiring bonus
- **49%** had to re-post an opening in the last year due to a lack of qualified applicants
- **31%** report interviewing candidates for positions not open – building a pool
- **41%** are concerned about the prospect of essential employees retiring in the next few years

# Review of Data

## Applicant and employee skills

- **61%** of employers conduct pre-employment testing
- **33%** of employers believe that the applicant pool does not possess the necessary skills
- **20%** of employers believe their current employees do not have the technical skills needed to grow the organization

# Review of Data

Most  
common  
soft skill  
deficiencies

- **Communication skills**
- **Working as a team**
- **Problem solving skills**
- **Basic employability/  
motivation**

# Review of Data

Locating and using information – most common deficient essential skills

- Being able to read and compare graphs
- Being able to locate necessary information on a table
- Knowing how to set up and read a spreadsheet
- Being able to distinguish bias in data presented

# Review of Data

Methods used  
to deliver  
effective  
training to  
employees

- **68%** use private colleges
- **61%** use community colleges
- **41%** use industry/trade associations
- **37%** use universities
- **23%** use private consultants/vendors



# Summary of Findings

**We can validate Anthony Carnevale's study suggesting 70% of future jobs will require advanced training beyond high school**

- **86% of all jobs in the survey required more than a high school education to start**
- **44% of jobs – other than those at IBM & Mayo – required advanced training**
- **However, nearly 100% of those surveyed said on-going training is essential**

# Summary of Findings

**We have found that, generally speaking, when it comes to the importance and the relationship between technical skills and soft skills...**

**employers hire for attitude and fit,  
and then train for job-specific skills**

# Final Thoughts

- **An increased use of internships/OJTs within the higher education system would be beneficial**
- **Giving “credit for prior learning” could jump start some people with their education**
- **A close working relationship between the MnSCU system and workforce development service providers would benefit both**



**The right people**  
**for the right job**  
**at the right time**

## Contact Information:

**Randy Johnson**

**Executive Director**

**Workforce Development, Inc.**

**Email: [rjohnson@wfdi.ws](mailto:rjohnson@wfdi.ws)**

**Website:**

**<http://www.workforcedevelopmentinc.org>**



jobs find  
Career  
General C