



## Position Paper: Efficient Workforce Development System Requires Public Support

**Purpose:** This paper was prepared to guide development of public policy related to workforce development. It is HIRED's position that an efficient workforce development system is essential and requires public support.

**Issues:** New entrants to the workforce and experienced workers are challenged to obtain or maintain employment in the rapidly changing labor market.

- Employers move jobs to locations where labor and other costs are low to maximize profitability.
- The skill sets required to fill many positions change rapidly as technology changes.
- New and experienced workers do not have access to the information they need to make career decisions.
- Many workers lack the financial resources necessary to train or retrain for high-demand career areas.

Minnesota may not have sufficient workers to meet future labor demand and the workforce may not have the competencies needed to meet future job demands.<sup>1</sup>

- Minnesota projects a worker shortage by 2010.<sup>2</sup>
- The State's investment in higher education has decreased significantly since 2002,<sup>3</sup> as has funding for secondary education, career and technical education and for training incumbent workers.<sup>4</sup>
- Labor market growth will require active participation of immigrants and people with disabilities.<sup>5</sup>
- By 2030, the number of Minnesotans over the age of 65 will double; the workforce is aging and retiring.<sup>6</sup>
- Between 2005 and 2015 the nonwhite population is projected to grow by thirty-five percent, and the white population is expected to grow by seven percent. This growth will occur among the Black non-Hispanic and Hispanic populations, who are less likely to attend college.<sup>7</sup>

An efficient workforce development system ensures that workers have access to the information necessary to make career decisions and employers have access to qualified workers and information necessary for hiring decisions.

- Workforce development organizations:
  - Maintain and interpret labor market data and trends for workers and employers.
  - Help workers and employers access resources to train workers for high-demand jobs.
  - Connect workers and employers, ensuring that the needs of both are met and promoting economic efficiency and productivity.

**Recommendations:** Public funds should be used to support an efficient workforce development system. HIRED endorses the following Leadership Priorities of the Governor's Workforce Development Council (GWDC), which were presented in their August 2004 Investment Advisory: *Minnesota's Workforce Investment Portfolio*<sup>8</sup> and January 2007 *Re-Imagining Minnesota's Workforce Development System*, prepared for Governor Tim Pawlenty.<sup>9</sup>



- “Direct key state agencies and programs to encourage, promote and ultimately ensure that all Minnesotans have opportunity to advance their skills sufficiently to make a meaningful contribution to the economic vitality of the state.”
- “Encourage skill attainment by Minnesotans both to meet Minnesota's labor market needs and to promote a measurable increase in wealth for Minnesota workers and businesses.”
- “To meet these expectations, the GWDC is calling for unprecedented strategic alliances among colleges and universities, workforce councils, P-16, Adult Basic Education (ABE), educators, economic developers, human services agencies, and community organizations.”

**HIRED Also Recommends:**

- The active participation of nonprofit employment service providers in workforce development.
- Continuation of the Minnesota Dislocated Worker Program with emphasis on retraining workers to meet the current needs of employers.
- Allocation of resources to programs that engage older workers, immigrants and those with physical or mental limitations in the workforce.
- Strengthening the focus on career exploration to ensure all youth participate in career exploration activities before leaving their current system.
- Collaboration with business, local governments, service providers and educational institutions to develop and prioritize services and support to develop Minnesota's workforce.

**For More Information:**

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1 “Investment Advisory: Minnesota's Workforce Investment Portfolio,” Governor's Workforce Development Council, August 2004

2 “Minnesota Job Market Poised for Turnaround,” Mike Meyers, *Star Tribune*, 2/16/04

3 “Investment Advisory: Minnesota's Workforce Investment Portfolio,” Governor's Workforce Development Council, August 2004

4 WIA Program Year 2002 Annual Report: [www.mnwfc.org/wia/WIAAnnualReportPY02.pdf](http://www.mnwfc.org/wia/WIAAnnualReportPY02.pdf)

5 *Demographics and Higher Education in Minnesota: Presentation to Citizens League*. Tom Gillaspay, State Demographer, MN Department of Administration, May 2004

6 “Minnesota's workforce is changing,” Governor's Workforce Development Council, September 2006

7 “Minnesota's workforce is changing.” Governor's Workforce Development Council, September 2006

8 “Investment Advisory: Minnesota's Workforce Investment Portfolio,” Governor's Workforce Development Council, August 2004

9 “Re-Imagining Minnesota's Workforce Development System,” Governor's Workforce Development Council, January 2007