

LABOR MARKET ANALYSIS FOR ST. CHARLES, ST. JAMES, AND ST. JOHN THE BAPTIST PARISHES

Prepared for:

THE RIVER REGION ECONOMIC DEVELOPMENT INITIATIVE

July 2008

Prepared by:

Wadley-Donovan
GrowthTech_{LLC}



**505 Morris Avenue, Suite 102
Springfield, NJ 07081
www.wdgtech.com
973.379.7700**

TABLE OF CONTENTS

Section	Page
1. Background	i
2. Executive Summary	1
Summary of Findings	1
Conclusions	8
Recommendations for Action	11
3. Labor Market Analysis.....	17
Geographic Orientation	17
Population, Demographics and Labor Force Overview.....	17
Labor Availability	25
Labor Demand	42
Labor Availability and Demand: Contractors Experiences	52
Workforce Trends.....	53
Labor Quality	56
Education and Training	57
Labor Cost.....	61
Business Climate and Operating Environment.....	65
Quality of Life	66
APPENDICES	
4. Appendix A – Demographic/Commute Zone Maps	
5. Appendix B – Employer Survey Summary	
6. Appendix C – Household Survey Summary	
7. Appendix D – Statistical Background Data	
8. Appendix E – Target Industry Employer Survey Extract	
9. Appendix F – Occupational Employment Estimates and Projections	

BACKGROUND

This Labor Market Analysis report is the product of a contract between Wadley-Donovan GrowthTech (WDG) and the Port of South Louisiana acting as coordinator for The River Region Economic Development Initiative (RREDI), a coordinated program of St. Charles, St. James, and St. John the Baptist Parishes. This study uses information obtained through: surveys of labor-related issues among employers and households in the three-parish region; telephone interviews with firms that provide miscellaneous contract services to the largest company facilities in the region; and a review of key statistical and other secondary-source information. The employer survey gathered information from area employers concerning the availability, quality, and cost of labor; the quality and utilization of educational institutions and training resources; and the future demand for workers. The household survey results allowed us to quantify and profile the region's regular labor force and its hidden labor resources. The household survey was produced for WDG by Younger Associates (YA), based in Jackson, TN, which specializes in business-to-business and business-to-consumer surveys. Our comprehensive assessment includes coverage of the three main issues of the River Region Economic Development Initiative (workforce analysis, workforce trends within RREDI's targeted Industries, and a profile of the under-employed).

WDG's Labor Market Analysis for the River Parishes was done in conjunction with a separate analysis conducted by Workforce Alliance, a human resources consulting firm and a licensed employment agency based in St. Rose, Louisiana. Workforce Alliance's assessment provided a comprehensive profile of the active applicant base currently seeking employment in the industrial sector in the River Region. Workforce Alliance's assessment provides a snapshot of qualifications of the available workforce for employment in the industrial sector within the River Parishes. The data used in their analysis was compiled using general labor statistics, validated assessment tools, and focus-group sessions with large industry employers, middle market entities, and public organizations. Twenty-seven employers participated in these focus groups. The sample data used by Workforce Alliance was provided directly by 11,470 motivated job seekers within the firm's database. Their report has been submitted separately, but findings from their assessment are included in this report.

This Labor Market Analysis serves as a foundation and tool for improving the region's economy and overall economic development. Labor is the number-one factor in company decisions on where they locate their facilities. Real estate, utilities, infrastructure, market access, transportation, operating costs, and other factors are very important considerations in corporate location decisions. However, labor-force factors are most frequently the deciding consideration on where a facility will locate. Therefore, it is very important for economic development agencies to have the most thorough and detailed information possible of their workforce. This assessment meets this need. It will allow the parishes and the Port to:

- Meet the varied data requests of site selectors, which frequently have to be provided within hours of receipt.
- Respond quickly to data requests of existing employers on salaries, labor availability, training programs, and other topics.
- Understand the strengths, weaknesses, and other dynamics of their labor market to insure its ongoing ability to respond to emerging marketplace changes and global economic shifts.
- Assure that the local workforce is meeting existing employer needs and will be ready for anticipated future needs.
- Provide data for marketing efforts, including interactive or static websites.
- Serve as a foundation to economic development strategic plans.

- Serve as a direction for target-industry identification.
- Institute remedial programs to strengthen or remove weaknesses within the workforce so that workforce flexibility and wealth creation can be maximized, and to strengthen the area's economy.
- Assist the River Parishes Workforce Investment Board (WIB) in its work and data needs.
- Assist high schools and post-secondary educational institutions to design programs needed by area employers and to satisfy their emerging training needs.
- Distinguish the region from its competitors.

This report provides the foundation needed for each of the above goals through a comprehensive labor assessment and characteristics of the four basic sectors of the region's workforce:

1. **Workers that are not under-employed:** This is the bulk of any area's workforce and the single largest base from which any new or expanding employer in a community will draw its employees. This segment includes the region's workers who are employed at or above the level dictated by their training or education. Residents within this sector would be accessible to new and expanding employers for a variety of reasons, including the desire for a better working environment (e.g., improved HR practices, newer facilities, better training), the chance for better working hours, a shorter commute, improved career-laddering or promotion opportunities, higher wages, and improved benefits. This sector can comprise up to 85% of an area's effective workforce.
2. **The under-employed:** This sector of the workforce consists of those employed residents who are qualified for better positions than they currently hold because of experience, training, or education, and would like to move into a position for which they are more qualified. It does not include under-paid or under-trained employees, who are part of the previously defined sector. The under-employed represent 13% of the River Region's employed residents.
3. **Residents that are not employed, but want to work:** This sector includes unemployed residents that are seeking work and receiving unemployment benefits, and residents who are not working because they are retired, going to school, raising a family, can't find a job that matches their abilities or goals, have difficulties finding work because of transportation or child/adult care issues, or other reasons. Non-working spouses are included in this group.
4. **The emergent or potential workforce:** This sector consists of high school graduates, two- and four-year college graduates, residents moving into the area, and residents who commute to jobs outside the region of study.

This labor analysis identifies the availability, quality, cost, and trainability of the three-parish workforce using quantified data coming from secondary and primary sources. The findings presented herein are those of WDG only. We have examined the region from a corporate perspective and our own knowledge of labor markets across the U.S.

This authorized study required independent research to review the River Parishes' labor resources and basic operating environment from the perspective of a locationally active company. For this study, WDG:

- Prepared maps depicting the geographic concentration of key demographic variables in 45- and 60-minute commute zones centered around three separate employment centers in the region. These maps are presented in Appendix A. The three employment nodes are located at:

- St. Charles Parish: Intersection of I-310 and River Road (SR 18), Luling, LA
- St. James Parish: 8800 SR 44, Convent, LA
- St. John the Baptist Parish: Intersection of East Jefferson Highway (SR 44) and Central Avenue (SR 53), Reserve, LA
- Surveyed employers across the three parishes with 20 or more employees:
 - WDG distributed 241 surveys to employers in key business sectors in the three parishes in March 2008. The mailing list was developed through InfoUSA, a private vendor, and modified with local input. Forty surveys were returned, for a 16.6% response rate. The rate of return exceeded our goal of 15%, and it yielded a representative sample that allowed WDG to provide observations on the condition of the region's labor market based on employer experiences. A summary of this survey is presented in Appendix B, and a summary of the survey responses from employers within region's targeted industries is presented in Appendix E.
- Conducted telephone interviews with nine representative firms that provide contract services to area companies with large facilities in the River Parishes, such as Monsanto, Shell Chemical, Motiva, Marathon, Dow Chemical, Valero, Conoco, and Entergy in the St. Charles and St. John Parishes. These contractors provide a range of services including industrial maintenance, construction, civil engineering, electrical and instrumentation maintenance, HVAC, fugitive emissions monitoring, industrial painting, and equipment rental.
- Surveyed, in the spring of 2008, a random, stratified sample of residents ranging in age from 18 to 74 years to gather information on employment status, training needs, and income and education levels. A total of 662 surveys were conducted. The surveys included a statistically valid, stratified sample of residents in the region. To achieve the required response rate for statistical validity and to assure a properly statistically stratified sample of all socio-economic and demographic segments of the population, YA conducted the survey using face-to-face interviews at popular retail centers in the region. The survey results have a +/- 5% margin of error and a reliability of 95%. The household survey findings are presented in Appendix C.
- Prepared and reviewed statistical data on key workforce factors for each of the three commute zones, the three parishes, the region, Louisiana, and the United States. Research sources include, but are not limited to: the State of Louisiana, the U.S. Bureau of the Census, the U.S. Bureau of Labor Statistics, and the U.S. Departments of Education and Commerce. TETRAD, Inc. (a leading demographic data vendor of Claritas data) was used for 2007 and 2012 demographic, occupational, and related data estimates and projections. Exhibits containing the gathered data are presented in Appendix D.
- Determined the region's forecasted workforce trends and the current workforce demand of RREDI's primary targeted industries (Administrative and Back Offices, Commercial and Industrial Machinery Repair and Maintenance, Other Chemical Product Manufacturing, Metal Tank Manufacturing, Pump and Compressor Manufacturing, Navigational, Measurement, Electronic, and Control Instrument Manufacturing, Other Transportation Equipment Manufacturing). The projected jobs in these industries are included in Appendix F.
- Incorporated findings from Workforce Alliance's research.

A study of this nature can do no more than describe local conditions. The actual impact of these conditions for any given organizational activity will vary, reflecting the different characteristics and structure of each organization. WDG's principal findings and conclusions are recapped in the Executive Summary, followed by a presentation of our findings on key labor-market factors, business climate and operating environment, and quality of life.

WDG is the nation's oldest independent management consulting firm that specializes in location consulting and economic development. Its corporate clients include many of the world's leading companies. WDG's economic development practice provides expertise to workforce and economic development agencies and utilities in sales and marketing, strategic planning, database development, overall product development, and assessment. Clients have included the Baton Rouge Area Chamber of Commerce, the Central Louisiana Chamber of Commerce, Albuquerque; Memphis Regional Economic Development Council; the Huntsville-Madison County Chamber of Commerce; Knoxville Chamber Partnership; El Paso; Elko, NV; Great Falls; Phoenix; Sheridan, WY; Conway, AR; Tallahassee; Tunica County, MS; Collier County, FL; Lee County, FL; and the states of Delaware, Iowa, Kansas, Kentucky, New Jersey, Oregon, Wyoming, Wisconsin, and Maryland.

EXECUTIVE SUMMARY

Summary of Findings

The River Region consists of St. Charles, St. James, and St. John the Baptist Parishes. These three parishes are all located on the Mississippi River. The center of the region is approximately 30 miles west of New Orleans. Interstate access is provided by I-10, I-55, and I-310, giving the region excellent east/west and north/south highway access. Commercial passenger and airfreight air service is available through nearby New Orleans Louis Armstrong International Airport and Baton Rouge Metropolitan Airport. This access, coupled with its location in metropolitan New Orleans, proximity to metro Baton Rouge, direct access to the Mississippi River (including the Port of South Louisiana), rail service, and location within the oil- and natural-gas-rich Gulf Coast, gives the region the foundation for a vibrant economic base.

Manufacturing is the largest business sector in the region, accounting for 18.1% of the region's jobs, followed by *logistics and distribution* (11.7%), *retail trade* (11.3%), and *construction* (9.7%). These three sectors also had the greatest numeric job growth since 2000. Even with this growth in the region's largest business sectors, the region is seeing expanding economic diversification. The greatest job growth between 2000 and 2007 was in two key, knowledge-based, white-collar sectors: *information* (26%) and *professional/scientific/technical services* (25.3%). Significantly, employment in all business sectors expanded substantially since 2000. Employment growth during this period exceeded the national rates in each of these sectors.

The region contains several employers with 500 to 1,000 employees, including many petrochemical and food-processing operations. The largest employers in the region are Dow St. Charles, Motiva, Monsanto, Valero St. Charles, Entergy Operations Inc. (Waterford 3), Shell Chemical, A.M.E. Services Inc., Valero Refining New Orleans, and Marathon Petroleum Company, LLC. In addition to these employers, the region has a large base of small and mid-sized employers.

Although most surveyed employers expect to maintain a stable employment pattern over the next year, WDG's employer survey indicates that there will be an employment gain of 5.2%, or an increase of 3,000 positions across the region. Workforce Alliance data shows that the *petrochemical* sub-sector will remain stable in its employment, but *industrial contractor* growth will see a slight up-tick in jobs. The Louisiana Department of Labor forecasts no net growth in regional employment in RREDI's targeted sectors between 2004 and 2014, with employment demand for job replacements only.

The occupations in greatest current demand are engineering technician, production operators, unskilled laborers, multi-skilled industrial maintenance mechanics, and engineers. In one year there will be a demand for a variety of occupations, with the greatest demand anticipated for production operators, engineering technicians, unskilled manufacturing laborers, machinery maintenance mechanics (including multi skilled industrial), engineers, truck drivers, and electrical and electronic repairers. The demand in three years will follow this same pattern. Engineers and production operators will be in the occupations in greatest demand among the targeted industries.

The River Region offers numerous assets for a new or expanding employer. These include:

- **The region had an estimated population of 128,488 in 2007.** St. Charles Parish is the region's largest parish, with almost 55,000 residents, followed by St. John with 51,100 residents, and St. James with a population of slightly more than 22,000.

- **Population growth has exceeded state and national averages since 2000 (14.4% versus 7.0%).** St. John has seen the strongest growth, with a gain of 18.8%, followed by St. Charles (14.3%) and St. James Parishes (5.6%). The national growth rate during this seven-year period was 7.0%, while the state lost 3.1%, due in part to adverse impacts of Hurricanes Katrina and Rita in 2005.
- **The labor force increased by 9.3% between 2000 and 2007.**
- **The unemployment rate is roughly equal to the national average.** The region's annual average unemployment rate stood at 4.2% in 2007, higher than the Louisiana average (3.8%), but lower than the national average (4.6%). The unemployment rate was 6.1% in 2000.
- **Employers report that more people are now available for hiring.** The direct and indirect impacts of Hurricane Katrina on the region's workforce are subsiding. People who evacuated are moving back to the area, and FEMA disaster-recovery employment is down, driving more people into the workforce.
- **Workforce Alliance shows that 99% of the jobseekers in its database have a high school diploma or GED, and 73% have some post-secondary education, mostly in technical-related fields.** Louisiana Technical College is the most frequently used school by WA's job applicants.
- **The effective labor shed of area employers is larger than WDG has seen in other areas of the country.** Employer-based data shows effective labor sheds of 45 to 60 minutes, compared to 30 minutes seen in most other locations. The difference is due to the higher salaries paid by many of the region's employers, and to the proximity of the region to large population centers in neighboring parishes within metro New Orleans and Baton Rouge.
- **Within the 45- to 60-minute commutes zones of the St. Charles and St. John locations studied in this report, there is a population range of 937,000 to 1,400,000.** This translates into an effective labor force of 461,000 to 622,000. St. James' 45- and 60-minute labor sheds have a workforce of 200,000 and 600,000. Some of this labor shed extends into growing Ascension Parish, which is part of the Baton Rouge metro area. This parish is attracting much of the Baton Rouge area growth because of its good public school systems.
- **Labor-force participation is slightly below average in the region (62.3% versus 64.1% nationally). This statistically indicates a modest potential supply of additional workers that could be expected to enter and actively participate in the local workforce.** Labor-participation rates for the six commute zones are also low, and all but one of the zones are lower than the national rate.
- **Household incomes in the region are higher than the Louisiana average and approximate the national average.** In 2007, the median household income in the region (\$48,830) is about 21% higher than the Louisiana average (\$40,371) and about 1% lower than the national average (\$49,314).
- **The region has a hidden workforce, consisting of the under-employed, not-employed who want to work, and out-commuters.** WDG/YA's household survey shows that there are 14,133 residents within the region that fall into these categories (9,037 who are not employed but want to work, and 5,096 under-employed). Added to this number are the region's 11,000 residents who work outside the region and the 147 graduates of the River Parishes campus of Louisiana Technical College and the River Parishes Community College. In addition to these graduates, a River Parishes employer has access to the graduates of the LSU in

Baton Rouge, and the graduates of the New Orleans universities (e.g., University of New Orleans, Xavier, Loyola, and Tulane). The skill sets of the not-employed are largely in construction occupations, followed by cleaning and maintenance, and office/administrative. The skills of the under-employed are within technical, healthcare, construction, and office/administrative occupations. The under-employed tend to be over the age of 35 and hold high school diplomas with some post-secondary education. The not-employed span all age groups and have high school diplomas as their highest level of education.

- **Most residents of the region work within the region, and a significant portion of the region's workforce commutes into the area from neighboring or nearby parishes.** The WDG household survey results show that 71.6% of the region's residents work in the region (St. Charles 32.8%, St. John 26.5%, and St. James 13.2%). Only 28.4% of the area's residents work outside the region (almost 11,000 residents), mostly in Jefferson Parish (15.5% or almost 6,200 of the region's employed residents). Residents from outside the region who commute to jobs within the region more than balance this loss of residents to jobs outside the region. Jefferson Parish and Lafourche Parish are the leading sources of this in-bound labor force. Data from representative area companies shows that 63% of their labor force comes from within the region, which translates into an estimated 21,000 job holders commuting into the region.
- **Workforce Alliance data shows that the job-applicant base is moving westward.** WA's database shows that Ascension, East Baton Rouge, Livingston, and Lafourche Parishes are supplying an increasing number of job applicants.
- **The region has a slightly younger workforce than the state and nation.** The median age for the three counties in 2007 is 35.1 years, compared to 35.4 years in Louisiana, and 36.6 years in the U.S. This profile can be an advantage, as some companies prefer to locate operations in areas with a median age that approximates or is below the national norm for optimum access to younger talent.
- **Household incomes in the region are higher than Louisiana but lower than the national averages.** In 2007, the median household income in the region (\$48,830) is about 21% higher than the Louisiana average (\$40,371) and about 1% lower than the national average (\$49,314).
- **The region has a strong relative base of working residents in ten occupational groups.** The employment ratio by occupation matches or exceeds national averages in ten occupational groups, including Architecture/engineering, construction/extraction, installation/maintenance/repair, the sciences, office and administrative support, production, and transportation/logistics. The five most dominant occupations, meanwhile, are office/administrative support, production, sales-related, construction/extraction, and transportation/material-moving.
- **The region can support a large new office employer.** One or more competitively paying office operations could potentially hire up to 1,173 qualified and screened workers during the first year of operation, depending on their facilities' locations in the region.
- **The region can support a large new manufacturing or distribution operation.** One or more competitively paying manufacturing/distribution operations with a standard occupational profile requirement could potentially hire up to 1,161 qualified and screened workers, depending on their facilities' locations in the region.
- **Some occupations can be easily recruited in the region.** All of the business and financial occupations, and most computer/mathematical occupations included in WDG's employer survey for which sufficient returns were received, can be recruited at satisfactory to good levels, as can general technicians.

- **Employers report satisfactory to good work ethic and productivity among their employees.** Meanwhile, employee turnover and absenteeism are low and at parity with those seen by WDG in similar sized communities. Employers within the targeted industries report a higher productivity and work ethic than other employers do. Workforce Alliance data shows that the average time employees have been at their current job is four years.
- **Responding employers report that they frequently work with the local campus of Louisiana Technical College (LTC) in Reserve for training programs, apprenticeships, co-ops, and other programs.** Currently, 43% of companies responding to WDG's survey are using co-ops, apprenticeships, internships, or similar programs, which is much higher than what WDG sees in most of the areas it has studied. Interviewed employers and contractors noted that LTC's programs and instruction have improved in recent years. LTC and River Parishes Community College both received good to very good ratings by surveyed employers. Other training programs, including specialty crafts, are available from the Associated Builders and Contractors (ABC) and from unions.
- **Interviewed contractors rate the applicability of Louisiana Technical College's curricula and skills of its graduates as satisfactory.** Interviewed companies noted that the Reserve campus of LTC has improved in recent years in program offerings and program quality. Many of the interviewed contractors use the Technical College/Association of Builders & Contractors construction trades training programs for both pre- and post-employment training.
- **Employers in Workforce Alliance's focus groups indicated they are responding to challenges of workforce demographics and availability issues** by working collaboratively on major initiatives; broadening the definition of the traditional labor profile; creating job-sharing opportunities; and altering schedules to accommodate part-time and/or seasonal work.
- **Local residents would like to see additional training programs to upgrade their skills.** 45.8% of residents in the region who are currently employed (approximately 17,900 individuals) and 78.1% of those not currently employed but interested in employment (roughly 7,000 individuals) are interested in receiving training/education to acquire new job skills. The largest number of residents report a desire for *computer-general* training.
- **Surveyed employers report a satisfactory to good quality of life in the region.** Employers within the targeted industry sectors, however, gave somewhat lower ratings than other employers did.
- **Many employers consider the public school systems in St. Charles Parish to be good—and better than other systems within the greater New Orleans area.**
- **The labor/management environment in the region is employer-friendly.** There have been no union elections in the region since August 2004, and there were only 22 certification elections held between 1990 and 2007.

The River Region has some labor-force-related challenges that adversely affect the region's ability to provide the workforce necessary to support the expansion of existing employers and the attraction of new industries. The principal challenges include:

- **After a significant period of population growth, Claritas forecasts a significant slowing of gains over the next five years.** There is a forecasted population decline in St. James Parish.
- **The River Region offers a modestly educated adult population.** The educational levels in which the region exceeds the national norm is in "no high school diploma" and "high school diploma only", but trails the U.S. average in the percent of residents with post-high-school education.

- **Workforce Alliance data shows that the percentage of job applicants scoring at or above the national skill standard for entry-level industrial positions in Work Keys assessments has declined.** In 2003, 87% scored at or above the national skills standard, while only 78% scored at this level in 2008.
- **The profile of the median household income distribution shows a bi-modal, middle/upper middle- and lower/middle-income pattern.** The percentage of households earning less than \$15,000 exceeds the national average. St. John and St. James Parishes contribute to this spike. Meanwhile the percentage of households with incomes between \$50,000 and \$149,000 exceeds the national average.
- **The region's employment ratios lag behind the nation in several knowledge-based occupational groups.** These include arts/design/entertainment/sports/media, computer and mathematical, financial specialists, healthcare practitioner/technician, legal, and management.
- **The region's labor market is very tight.** Employers report tight or unavailable recruiting conditions for 64% of the occupations for which sufficient data was received. Healthcare (practitioners and technical), engineering, instillation/maintenance/repair, and production occupations are in the shortest supply. Employers within the targeted sectors report difficulty recruiting chemical engineers, process technology technicians, welders, millwrights, instrumentation technicians, and multi-craft industrial mechanics.
- **Employers express some difficulty recruiting managers and professional talent from outside the area.** Employers report below-average employment opportunities for "trailing" spouses and the cost of housing and homeowner's insurance as major obstacles in recruiting personnel from outside the region. Another contributing factor is a concern about the quality of public schools. Employers report that competitor locations such as Houston offer more appealing quality-of-life opportunities to technical, professional, and managerial recruits.
- **Impending Baby-Boomer retirement is an issue in the region.** Data from WDG's employer survey indicates that, on average, 12.9% of currently employed workers are presently eligible for retirement or will become eligible for retirement over the next five years. This equates to approximately 7,428 employees eligible to retire over the next five years, based on the region's employment of 57,578 workers (2007 annual average). Employers are not confident or are unsure they will be able to fill retirement vacancies in 37% of the positions held by employees eligible to retire now or over the next five years. Among the reported occupations are administrative, accounting, installation (maintenance & repair), mechanics, production operators, and managers. Contractors and employers within the targeted industries have a higher concern about retirements than do the other region employers. Some employers in these sectors report 40% of their employees will be retirement-eligible within the next four to five years, although the average is 22%.

Workforce Alliance's research shows that it is unlikely that the retiring workforce will provide a high rate of re-entry into the labor shed, even though employers are motivated to retain these employees in the workforce and are offering them incentives to stay employed. WDG's household survey shows that 42% of residents expect to continue working after retirement, but mostly in part-time positions. Only 40% indicated they would want to work in the same field in which they are currently employed.

- **Workforce Alliance data shows that Boomer retirements have begun, leading to higher employee turnover.** Employers are using this period of higher turnover as an opportunity to retool the desired competency mix of their workforce. The desired skill mix is shifting toward a higher value of relational skills versus strictly technical skills.

- **Comparing the current demand for workers against the current availability ratings indicates there are existing critical labor shortages for some occupations.** These include teachers (secondary), electrical and electronic repairers, industrial machinery mechanics, maintenance workers (machinery), and unskilled laborers (manufacturing, repair). For these occupations, demand significantly exceeds availability. Also indicated is a **general imbalance** between labor demand and supply for engineers, mechanical engineers, engineering technicians (general), construction laborers, electricians, registered nurses, assemblers/fabricators, welders, and truck drivers (heavy, tractor trailer). For these occupations, demand exceeds availability. Additionally, there is a **modest imbalance** for the following occupations: electrical and electronic engineers, industrial engineers, computer software engineers, teachers (elementary), and customer service representatives. For these occupations, demand slightly exceeds availability.
- **Comparing the twelve-month demand for workers against the current employer-reported workforce availability ratings indicates there will be critical labor shortages for some of the same occupations, plus others.** These include engineers, electrical and electronic repairers, industrial machinery mechanics, maintenance workers (machinery), unskilled laborers (manufacturing, repair), and truck drivers (heavy, tractor-trailer). There also will be a **general imbalance** between labor demand and supply for industrial engineers, mechanical engineers, engineering technicians (general), construction laborers, electricians, and registered nurses. Meanwhile, there will be a **modest imbalance** for a variety of occupations, including electrical and electronic engineers, teachers (elementary, secondary, special education, and post-secondary), industrial production managers, assemblers/fabricators, computer-controlled-machine-tool operators (metal), instrumentation technicians, and production operators.
- **Contractors report minimal hiring from the local River Parishes labor market due to limited availability of employment candidates.** Interviewed contractors said they routinely recruit from the Baton Rouge labor market and from out-of-state. Current rating of the overall availability of employment candidates in the River Parishes is fair. Skilled trades—such as combination welders, pipefitters, heavy-equipment operators, and HVAC—are among the most difficult to recruit in the River Parishes labor market.
- **Interviewed contractors forecast that labor availability will not improve over the next three to five years and beyond.** Companies interviewed by Ratings All indicated they anticipate shortages across all skill sets and occupations due to an aging work force and growing labor demand fueled by new construction that is projected to continue through 2012.
- **There is a concern among employers that their effective labor shed will be reduced as a result of increasing gas prices.**
- **Workforce Alliance and WDG see a significant gap between educational/training attainment and workplace readiness.** An additional gap exists between the career expectations fostered by area technical schools and the realities of the actual job opportunities.
- **Significant work has been done in *Process Technology* training, according to WA's research.** However, these training programs need to be expanded to a broader cross-section of the workforce. Workforce Alliance's focus groups show that a concern exists among employers that resources are almost solely focused on large industry needs at the exclusion of small and middle-market businesses
- **Interviewees voiced the need for more skilled crafts curricula, and an improved and expanded multi-skilled industrial mechanic program in the region.** LTC would provide the multi-skilled industrial mechanic program, while LTC, ABC, and the unions would be the providers of the skilled-crafts curricula.

- **The need to improve the quality of the instructors at LTC was cited by interviewed contractors, as some instructors are considered out of touch with current technologies; in some cases because they are retired and receive minimal pay.** Interviewees indicated that some instructors are hired by the day, are poorly prepared, and depend too heavily on instructional tapes for their teaching. It also was felt that graduates often lack needed hands-on experience.
- **Until recently, area employers of chemical, industrial, electrical, and other engineers have been raiding each other for candidates.** This is continuing to a lesser degree, and the area's employers have recognized the value of encouraging more area high school and middle school students to enter engineering programs.
- **Interviewed contractors see a need to increase funding of training programs in the region and state.** Interviewees frequently noted a need to concentrate efforts in the high schools to change the mind-set of high school students in favor of pursuing a career in the technical trades.
- **Of the six public high schools in the three-parish region for which No Child Left Behind (NCLB) performance designations were provided, only two have attained growth targets.**
- **Average annual employee earnings in the River Region are higher than both the Louisiana and U.S. averages.** The region's overall 2005 average earnings per year per worker (\$45,055) [latest data available] were nearly 44% higher than the Louisiana average (\$31,318), and 17% higher than the national average (\$38,539). This high average salary is driven by the region's numerous petrochemical plants and other large manufacturing operations. Employers not within these sectors report lower salaries.

Conclusions

The River Region is blessed with a strong economy supported by well-paying petrochemical jobs, a growing population in its region and within its labor shed, a very good transportation system and access to markets, a location in an economically vibrant and pro-business state, and a good local and regional educational infrastructure that offers workforce-training opportunities for residents and businesses. Meanwhile, its workforce is productive and loyal with a good work ethic; household incomes are among the highest in the state and approximate the national average; the region has a large, effective, labor shed that extends into the Baton Rouge and New Orleans metro areas; and there is a significant hidden workforce consisting of out-commuting residents, graduates of colleges and universities in the region and within the neighboring metro areas, and the under-employed. The region can support additional employment demands for new and existing companies paying above median wages, and the region's labor force would like to receive training for job and career upgrades. While the region's economy is heavily skewed to manufacturing, it is diversifying through growing employment within the knowledge-based service sectors.

However, these advantages are counterbalanced by a significant workforce shortage that will be compounded in the near and long-term future by impeding high retirements within the most skilled segments of the workforce—those within the skilled trades and technical occupations serving the petrochemical sector. This situation will restrict the region's future economic growth unless it is resolved. The shortage exists in most occupations. Only clerical and administrative, computer/mathematical and financial/business jobs can be filled at satisfactory or better levels. Importantly, the tightening labor market will adversely affect the region's industrial base, especially its industrial targets. Relief will not be available from the outer reaches of the labor shed that extend into greater Baton Rouge and New Orleans, since those area are also seeing a tightening labor market. The region's growing shortage of engineers is shared nationwide, as the number of engineering graduates is not expanding—and in some cases is contracting. Other regions of the country are now and will be in a more competitive position to attract the needed engineering students because of a lower cost of living, better public schools, more urban amenities, a better perceived quality of life, and stronger spousal-employment opportunities.

Much of the burden on resolving the growing labor shortage will lie with the local campus of Louisiana Technical College and with other educational and training entities, such as ABC and the unions, coupled with continued and stronger coordination and cooperation with employers, industry associations such as the Louisiana Chemical Association, the River Parishes Workforce Investment Board, and RREDI.

There is some potential relief to the labor shortages from the region's 9,000 parish residents who are not currently within the workforce but would like to work. However, the relief from this part of the population is limited. Only 68% would like to work full-time, many are over the age of 45, and many do not have a high school diploma, which may limit their appeal to many employers. On the positive side, most would welcome training even at their own expense and on their own time. Also—and significantly—many employed residents want access to more training, and the desired training is in line with industry needs.

Aside from attracting these not-employed residents into the workplace, efforts need to be made by employers to keep their current employees in the workplace as long as possible, even after the traditional retirement age. Such efforts would include creation by employers of a “mature-worker-friendly” operating environment, such as those suggested by AARP in its studies.

Other relief can come from concerted efforts by various private- and public-sector groups and agencies to attract younger residents into the region by developing quality-of-life factors that are attractive to a younger population, such as affordable housing in good school districts and

family- and young-singles-focused social and recreational activities. These efforts should foster an image for the region as a fun and vital place to live and work—as attractive to young, single workers and young families as it is to retirees. An important target for this effort is the estimated 21,000 employees of companies in the region that commute into the region each day. The good reputation of school systems in the region would be an important element in attracting the component of the inbound commuters with school-aged children. Meanwhile, those schools that are underperforming will need to match performance standards demanded by households seeking high quality school districts for their children. All public schools need to meet the standards required by regional businesses.

Additional relief can come as employers implement human-resource practices that will attract more job applicants of all ages, and through more training programs that can offer career-changing or -building opportunities for parish residents. These training programs will need to be structured around the needs of area employers, and designed with their strong input. Such programs could attract more job applicants, particularly among current residents who are commuting to jobs outside the region—which are about 28% of employed residents, according to the WDG household survey. These efforts could also attract more in-commuters from surrounding counties.

Workforce relief can also come from improved relationships between employers and educators. Employers—especially smaller employers—need closer relationships with the LTC and River Parishes Community College and secondary schools for training and recruiting purposes. Examples would include co-op and apprenticeship programs. More communication is needed between area employers of all sizes and area educators to allow employers a better understanding of the education resources in the area.

Workforce development needs to be an ongoing priority if the region is to sustain the growth of its existing industries and attract new and diversified industries.

Other key conclusions include:

1. LTC provides a valuable service, but there is a need for: more graduates, more skilled craft (also from ABC and the unions) and multi-craft curricula, improved teaching and teachers, and even greater employer relationships—especially among smaller employers.
2. Basic skills improvement is needed at all levels of the workforce.
3. More guidance effort is needed at the high schools and middle schools to reduce the dropout rate and to provide more focus on career guidance and preparation for the non-college bound students. Greater employer and parental participation is needed in these efforts.
4. A greater effort is needed in reaching out to the workforce and high school students to demonstrate employment opportunities in the region and the training needed, and how to apply for the available jobs. A similar effort needs to be directed to the under-employed in the area and to the residents with post-secondary education but with no career direction.
5. Better and more planning for the looming retirement wave is needed by more employers.
6. The labor shortages within the broader Gulf Coast and the nation will adversely affect the region's labor availability.
7. Ongoing diversification of the region's economy is needed.

In addition to these conclusions, Workforce Alliance offers the following conclusions from their assessment of the labor market.

1. The data demonstrates that the industrial workforce still represents a pocket of excellence.
 - Places a high value on educational attainment
 - Hourly base wages have trended moderately
 - A significant percentage of the labor shed has experience and/or training in multiple technical disciplines
2. Forces of concurrent regional hiring demands, changing demographics, technology, and shifts in the competency mix represent a significant workforce challenge.
 - Multi-generational characteristics and issues are a significant aspect of this issue.
3. The Education and Training footprint needs to be expanded in both breadth and depth.
 - Using the footprint established by the Fundamental Process Tech training, broaden the offerings to other disciplines and industry sectors.
 - Expand the Process Tech training from fundamental to more advanced.

Recommendations for Action

Workforce development should receive priority attention using all of the resources available in the region and elsewhere in the state because of the area's tight labor-market conditions and its aging workforce. WDG's following recommendations for action are offered as *priority* steps to be taken by RREDI and its allies. We urge that actions be coordinated in a collaborative effort with the River Parishes Workforce Investment Board, employers across the business spectrum, GNO Inc, LED, the Louisiana Department of Labor, the Louisiana Chemical Association, the Baton Rouge Area Chamber of Commerce, and others. Together these agencies can create a consortium for workforce change and can marshal limited resources in a focused action.

1. **Develop stronger educator/employer linkages to enhance the use of the region's educational resources by small and mid-sized employers for employee training and recruiting, to alert employers to the full breadth of educational resources available in the region, and to provide the educators with information on the training needs of area employers.** A designated neutral third party would be an essential agent for change, serving as a catalyst to bring these employers and educators together.
2. **Promote the broader use of co-op and internship programs among college and university students in the region, Baton Rouge and New Orleans, area high schools, and area employers.** The consortium is encouraged to work closely with area employers to develop co-op and internship programs in a variety of fields. Such programs can enhance recruitment of students by employers upon graduation, and build an experienced "fresh-out" workforce. The consortium can help employers by providing program coordination at the educational institutions, making contacts, searching out best practices, and coordinating low- or moderate-cost housing for summer interns from outside the region.
3. **Promote a greater role by the private sector in workforce training.** Because conditions are changing, employers need to recognize that workforce development is no longer the sole responsibility of educators and workforce-development professionals. Employers must now be part of the process. Examples in which employers can participate include: formalized programs in mentoring (by trained employees); job-shadowing with educators, principals, and guidance counselors; and one-on-one mentoring between employees and students on personal development, job skills, and life skills (similar to Big Brother and Big Sister programs). A broader use of the Junior Achievement Program or similar concept is urged within the educational system.
4. **Actively work with employers to improve their human-resource practices.** The designated lead agency, as a catalyst, is urged to promote improved human-resource practices among area employers. Examples include use of a career-laddering model; providing flexibility in work hours and use of vacation time in partial-day increments; flexible work scheduling; and expanded training on company time. Promotional programs could include after-hours or breakfast seminars or webinars with human-resource-policy experts from within or outside the region. The special needs of small employers will have to be considered.
5. **Encourage employers to keep and attract employees over 50 years old.** To attract the large numbers of the region's mature residents that are not working now but would like to work, and to retain currently employed mature workers in the workplace, special employer accommodations will have to be considered that meet the needs of these people, such as flexible working hours, part-time work, and, for the currently employed, phased retirement programs. Program ideas have been advanced by several AARP studies, including *Staying Ahead of the Curve 2004: Employer Best Practices for Mature Workers*, and *The Business Case for Workers Age 50+: Planning for Tomorrow's Talent needs in Today's Competitive Environment*. Both of these publications are available on AARP's

website (www.aarp.org). According to our household survey, these residents are well educated and possess skills needed to fill some of the current workforce gaps. We also urge RREDI to investigate some of the best practices across the country for keeping and attracting residents over the age of 50 in the workforce. One example is the *Arizona Mature Worker Initiative*. The contact for the initiative and the National Governors Association Center for Best Practices can be found on the website www.wdgtech.com/workforce.

6. **Provide job counseling to the retired who want to continue working, and to the not-employed who may wish to re-enter the workforce.** These individuals could use a variety of training programs, including career-changing opportunities and challenges, available educational resources for training and skills enhancement, skills testing, career counseling, and résumé writing. Such programs could be offered by the River Parishes Workforce Investment Board at various venues across the region to maximize access and availability.
7. **Conduct an ongoing labor recruitment effort across the southeast U.S. and possibly the entire country.** Develop a recruitment strategy that is aimed at all working-age groups. Special marketing messages for each of these groups should be developed that address their key issues. These issues could be developed through a variety of focus groups, and the marketing material then created from the findings of those focus groups. The messages can be crafted into special sections on a central website and used in hard-copy material and in special direct-mail solicitations. A lead agency, such as RREDI, could serve as the facilitator and coordinator of special recruitment efforts for area employers. Part of the lead agency's role would be assurance that duplicative recruitment efforts are not being made. Coordination with GNO Inc. is particularly urged.
8. **Attract and retain the "Talented Young" through quality-of-life enhancements and niche marketing.** It is recommended that the region make a concerted effort to attract and retain this population segment. The living environment attractive to these people needs to be expanded in the area. It is urged that focus groups be conducted with local residents in the 22-to-35-year age range to determine what they want. Successful developments will be slow and will be created by a blend of actions by the public and private sectors. The public-sector role will be in regulatory, incentive, or facility-development efforts. Local development may contain elements used in other locations, but what happens in the region must be based on existing resources, conditions, and needs.
9. **Create a structured job-assistance program among area employers to find work opportunities for the spouses of relocating personnel.** A centralized job-opportunities clearinghouse should be established to share information regarding professional and non-professional employment for relocating spouses. The clearinghouse is also encouraged to create an assistance network that can provide community information and guidance on adjusting to the local and regional cultural environment.
10. **Improve graduation rates at area high schools, technical centers, colleges, and universities.** More student monitoring and intervention programs, focused tutoring efforts, or financial assistance programs are needed to reduce high school dropout rates and college/university retention rates.
11. **Improve the quality of education in the region.** It is important that the quality of education be high at all of the region's high schools. Strategies to meet the Average Yearly Progress requirements of the No-Child-Left-Behind initiatives must be strongly supported by the communities and the entire parishes region. In order to generate a quality workforce and attract skilled workers to the region, system-wide educational excellence is necessary.

12. **Improve the state's educational standing.** In data from the National Science Foundation and *Leaders and Laggards: A State-by-State Report Card on Educational Effectiveness*, produced by the Institute for Competitive Workforce, Louisiana gets poor grades. The consortium is urged to lobby aggressively to ensure that programs are underway to improve the state's educational performance.
13. **Develop an innovative workforce strategic plan that**
 - Changes requirements and training models to meet learning and social needs
 - Includes college graduates and "at-risk" youth
 - Includes improved human-resource policies
 - Improves the image of vocational employment among high school and middle school students and their parents
14. **Publicize all of your efforts and involve community and elected leadership.**
15. **Pursue more funding for vocational training at LTC.**
16. **Follow the state's Comprehensive Plan for Addressing Louisiana's Workforce Crisis.**
17. **Work with LA DOL to revise the region's forecasts.**
18. **Target out-commuters to work in the region.**
19. **Develop more residential areas to attract in-commuters.**

Workforce Alliance offers the following recommendations

1. **The Education and Training footprint is urged to be expanded in both breadth and depth**
 - Using the footprint established by the Fundamental Process Tech training, broaden the offerings to other disciplines and industry sectors.
2. **Expand the Process Tech training from fundamental to more advanced**
 - Strengthen the focus on job readiness and relational competency training
 - Ability to work in a self-directed environment
 - Ability to work in diverse teams
 - Work-ethic issues
 - Balancing work and family-life issues
3. **Provide assistance with recruiting materials that showcase positive aspects of work and quality-of-life issues in the River Parishes.**

FIGURE 1: RIVER PARISHES IN THE CONTEXT OF THE SOUTHERN U.S.



FIGURE 2: RIVER PARISHES IN THE CONTEXT OF THE STATE OF LOUISIANA



FIGURE 3: DETAIL OF RIVER PARISHES STUDY AREA



**EXHIBIT A-3: ST. CHARLES PARISH
45-MINUTE COMMUTE ZONE FROM
INTERSECTION OF I-310 AND RIVER ROAD (SR 18), LULING, LA**

