

STATE OF THE WORKFORCE REPORT

2018

IGNITING THE REGION'S WORKFORCE



Northwest Indiana
**WORKFORCE
BOARD**

MESSAGE TO THE COMMUNITY

The Northwest Indiana Workforce Board is pleased to present this 2018 State of the Workforce Report as part of its ongoing series of updates to the community on the availability of talent needed to meet the current and future needs of our region's employers.

This year's report is particularly timely as it serves to inform the process of implementing the goals of Ignite the Region, the new regional economic development plan for Northwest Indiana. Access to talent continues to be a primary factor when companies make expansion or new site selection decisions, and the acceleration of Northwest Indiana's economy will be driven in large part by its ability to create, retain, and attract a high-quality workforce in numbers great enough to support job growth.



DEBRA BAUGHMAN

The regional economy is changing rapidly in terms of employment by industry sector, occupations within sectors, and skills needed for occupations, as technology serves as a disruptor that both creates and destroys jobs. Such changes make assessments of talent readiness challenging. Traditional analyses of the availability of talent to respond to current and short-term talent demands of regional employers are no longer adequate, as the supply of an educated and trained labor force is driving decisions about the creation of jobs in the region. We are placed in a position of needing to create skills for jobs that don't yet exist in Northwest Indiana as we compete with other regions for such jobs in the emerging economy.



LINDA WOLOSHANSKY

As we continue climbing the ladder of economic growth, the Northwest Indiana Workforce Board remains committed to the development of a highly skilled, motivated, and diverse workforce, earning sustainable or higher wages and actively engaged in skill advancement and lifelong learning.

Respectfully Yours,

Debra Baughman
Chair, Northwest Indiana
Workforce Board

Linda Woloshansky
Staff to the Northwest
Indiana Workforce Board



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ABOUT YOUR NORTHWEST INDIANA WORKFORCE BOARD

The Northwest Indiana Workforce Board (NWIWB) is comprised of business, education, labor, community, and economic development leaders responsible for the strategic vision of workforce development and governance of WorkOne Centers in Northwest Indiana. They are also responsible for managing connections to key resources in the areas of workforce, education, and entrepreneurship. The board works to determine current and future skill needs together with economic developers, employers, and economists. The board represents Jasper, Lake, La Porte, Newton, Porter, Pulaski, and Starke counties.

MISSION:

To mobilize and integrate the leadership, services, and resources of the community to support workforce development. This is achieved by:

- > Strategically planning and developing policy for workforce development
- > Overseeing regional workforce development system
- > Developing and allocating resources for workforce development
- > Participating in related economic development activities

VISION:

To have a workforce that is highly skilled, motivated and diverse, earning sustainable or higher wages and actively engaged in skill advancement and life-long learning.

GOALS:

- > Increase skills of current workforce to align with economic development strategies and key industry sectors
- > Improve employer access to qualified workers and awareness of training resources
- > Ensure youth in NW Indiana are positioned for continued education/learning and workforce success
- > Encourage and support an entrepreneurial spirit
- > Assure compliance and efficient operations of a workforce development system



REGIONAL TALENT SUPPLY

Any talent supply analysis must begin with overall population numbers. A major challenge is that Northwest Indiana has been losing population. From 2009 to 2017, the seven-county region saw a population decline of 0.6%. A majority (57%) of the region's population of 850,155 lives in Lake County, which saw a decline of 0.5% during that period. However, Porter and Jasper counties saw population growth of 4.6% and 3.9% respectively. The region's trend contrasts with the positive growth trends of the U.S. and Indiana as a whole. The region's lack of growth is more in line with the Chicago Metropolitan Statistical Area (MSA) where the overall population remained relatively flat at 9.5 million. The region has 12.7% of the state's population and 8.9% of population of Metro Chicago. Out-migration of the region's residents to other U.S. areas accounted for much of the decline.

An added concern that impacts talent availability is the labor force participation rate for the primary working age group (16-24). The rate, which is the percentage of population that is either employed or looking for work, has declined in Northwest Indiana by 2.0% between 2009 and 2017. Rates have also declined, but in lower percentages, for Indiana and the U.S. For those looking for work in the region, the unemployment rate is the lowest it has been in 10 years. At around 4.5% unemployed, the rate has declined from a high of over 10% following the last recession. The unemployment rate is another indicator where the region aligns with Metro Chicago, but with a rate that is higher than both Indiana and the U.S.

Northwest Indiana is more diverse racially and ethnically than the State of Indiana with a Latino population of 12.7% (compared to Indiana's 7.0%) and a Black population of 14.4% (compared to Indiana's 9.7%), with the highest concentrations of each being

in Lake County. Racial and ethnic percentages align closely with those of Metro Chicago. The aging of the Northwest Indiana population also impacts workforce availability, as 37% of the 2017 population is now 55+ compared to 31% in 2009. The population of Late Prime workers (age 35-54) shrank in that period from 38% to 33%.

IMPLICATIONS FOR EMPLOYERS

- > Casting a wider net for talent across the tri-state area may be required for filling certain jobs.
- > Investments in automation can serve to reduce the need for workers performing repetitive tasks and allow advancement of these workers to higher skills.
- > Training and advancing existing workers to fill skill gaps will be increasingly important for employers, but production demands may make it difficult to find time for training activities that remove workers from production.
- > Our assets include a diverse workforce that gives the region an advantage in attracting talent, and older workers who can fill key roles during transition to full retirement.

IMPLICATIONS FOR WORKERS

- > Skilled workers will have more leverage in negotiating wages and benefits.
- > Routine jobs will continue to be replaced with automation/technology.
- > Older workers can create flexible work arrangements rather than total retirement, as employers will find value in these arrangements in many cases.

IMPLICATIONS FOR EDUCATORS

- > Workers and their employers will increasingly need education and training that is tailored to the needs and schedules of working adults.
- > The need for more short-term, just-in-time credentials backed by employers will increase.
- > Higher education will need to embrace technology in delivering education and training in new ways to employer sites and rural locations.

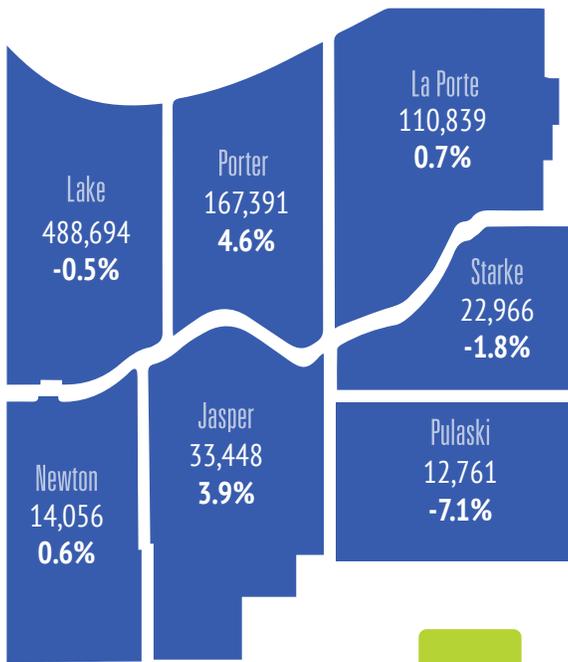
WHO IS AVAILABLE FOR WORK?



2017 NWI POPULATION: 850,155

Chicago MSA – 9.5 million
 Indiana – 6.7 million
 USA – 325.7 million

COUNTY POPULATION CHANGE SINCE 2009

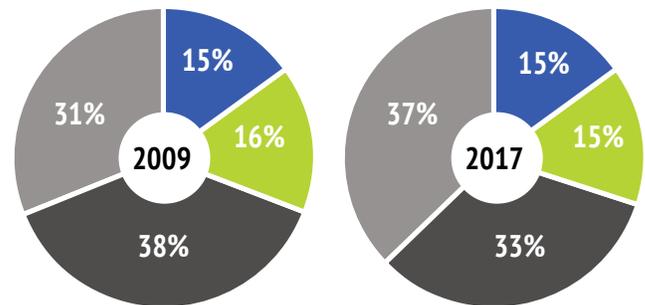


NWI's total population has fallen over this same time period.



	2017 Labor Force Participation Rate (16-64)	Rate Change since 2009
Jasper	72.6%	-5.3%
Lake	72.6%	-1.0%
La Porte	67.5%	-5.2%
Newton	71.1%	6.9%
Porter	73.5%	-2.4%
Pulaski	71.9%	-1.9%
Starke	69.0%	0.1%
NWI Total	72.0%	-2.0%
Indiana	74.5%	-1.2%
United States	73.9%	-0.7%

LABOR FORCE BY AGE GROUP



■ Young (16-24)
 ■ Early Prime Age (25-34)
 ■ Late Prime (35-54)
 ■ Older Adults (55+)

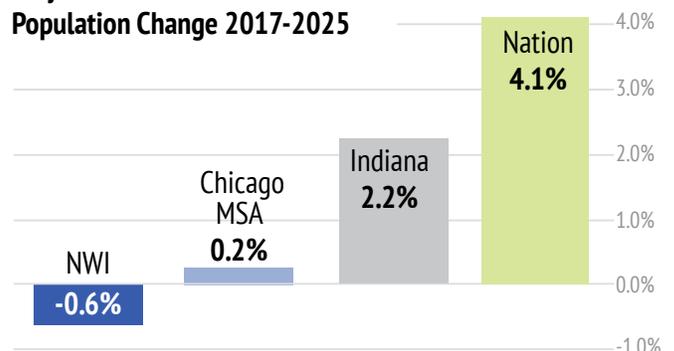
LABOR FORCE BY RACE/ETHNICITY

	White	Black	Asian	Other	Latino
NWI	76.7%	14.4%	1.2%	7.7%	12.7%
Jasper County	96.3%	0.9%	0.4%	2.5%	4.3%
Lake County	65.6%	21.9%	1.4%	11.1%	17.2%
La Porte County	86.6%	8.4%	0.6%	4.4%	5.7%
Newton County	95.7%	0.1%	0.3%	3.9%	6.2%
Porter County	92.3%	3.7%	1.4%	2.5%	8.5%
Pulaski County	97.6%	0.1%	0.2%	2.1%	2.2%
Starke County	97.5%	0.2%	0.2%	2.0%	3.3%

POPULATION PROJECTION

Projected Percent

Population Change 2017-2025





SECTORS, OCCUPATIONS, & LOCATIONS OF WORK

Northwest Indiana remains a dynamic region with many options for employment across multiple industry sectors in both the region and the larger Chicago Metro area. Residents of our seven counties are able to take advantage of our quality of life and relatively low cost of living while also using our expanding transportation network to access high-quality jobs in neighboring Chicago. While this daily out-migration might be viewed as a loss for the region, it provides a huge asset for attracting employers who can use this talent base while improving the quality of life for workers by reducing lengthy commuting times. The expansion of transportation options also serves to provide current and prospective employers with easier access to talent from neighboring Illinois counties. It should be noted, the number of persons commuting from Northwest Indiana to Illinois declined slightly from 2009 to 2016, and there are a substantial number of in-commuters from counties in Indiana, as well as Illinois and Michigan.

Our manufacturing base accounts for a plurality of Northwest Indiana's gross regional product, but the sector has emerged from the recent recession with a somewhat smaller workforce and a growing need for skills beyond traditional entry-level production jobs as automation increases efficiency. As a result, the regional job base is more diversified with the healthcare sector leading in total number of jobs (15%) and manufacturing and government tied for second place (at 13%). The healthcare sector is expected to continue as the leading job producer, with a projected increase of jobs of 11% between now and 2025. Northwest Indiana's list of top employers is dominated by healthcare providers, steel producers, casinos, energy, and education. The top ten largest occupations include seven job categories with an hourly wage of under \$15.00 (full-time annual income level at approximately \$31,000). The availability of entry-level jobs provides an opportunity for employers to draw from a talent pool where communications, organization, and teamwork skills have been honed, as these "soft skills" are highly valued across all sectors.

IMPLICATIONS FOR EMPLOYERS

- > As jobs increasingly require higher skills, or multiple skills acquired in different jobs or training programs, the "ideal" candidate may become more difficult to find.
- > Skill gaps can be filled by workers who currently commute to jobs outside the region.
- > Hiring and training time for filling jobs can be reduced by implementing ongoing skills and job advancement plans for existing employees.

IMPLICATIONS FOR WORKERS

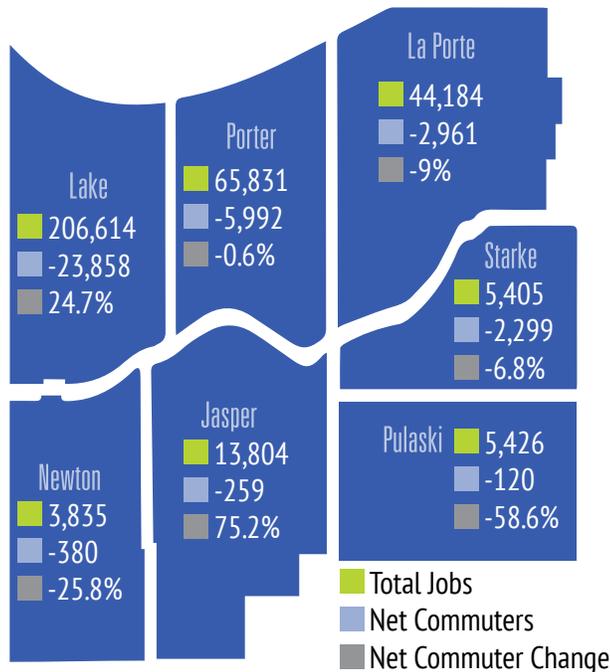
- > In a tight labor market employers may be willing to pay a premium for specific skills or critical combinations of skills.
- > Free training is available for using state and federal sources for high-demand occupations.
- > Workers with proven work ethic in lower skilled jobs can negotiate new work-and-learn plans with their employers while taking advantage of state and federal training funds.

IMPLICATIONS FOR EDUCATORS

- > There will be a continuing need for stackable, short-term skills certifications within industry sectors and for movement of workers among sectors aimed at higher-skill and higher-wage jobs.
- > Expected expansion of healthcare jobs will require strengthened connections between educators and healthcare employers.

WHERE DO OUR WORKERS WORK?

NWI 2016 NET COMMUTERS: -38,423



NWI'S TOP EMPLOYERS

Employer	Employee Count
ArcelorMittal	6,000
NIPSCO	2,655
Community Hospital	2,325
Horseshoe Casino	2,268
Harrah's East Chicago	2,000
Porter Regional Hospital	2,000
Methodist Hospital	2,000
Ameristar Casino East	1,800
Blue Chip Casino	1,650
US Steel Gary Works Midwest Plant	1,550
Franciscan Health Hammond	1,303
Franciscan Health Dyer	1,150

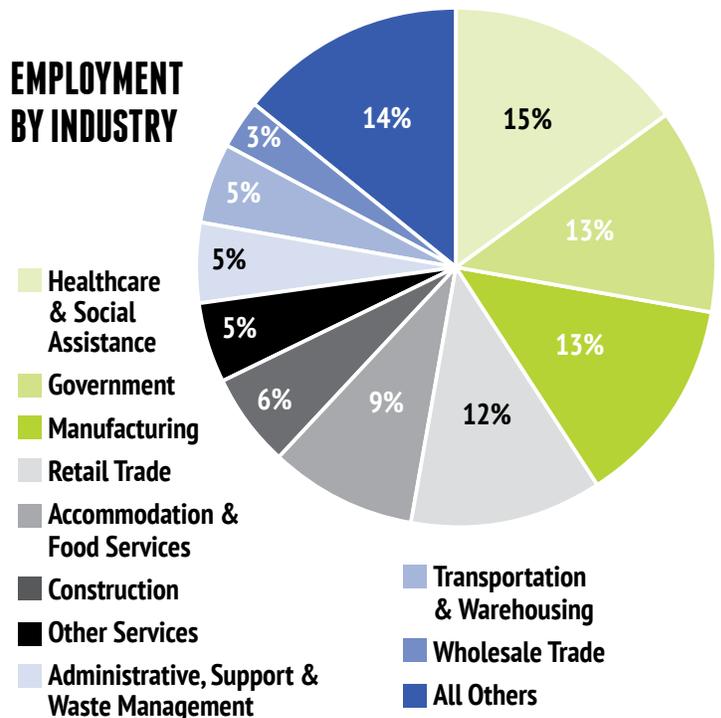
The number of people commuting from NWI to Illinois declined from 2009 to 2016



TEN MOST COMMON OCCUPATIONS

	Jobs	Median Hr. Wage
Combined Food Preparation and Serving Workers, including Fast Food	12,291	\$8.98
Retail Salespersons	12,033	\$9.86
Cashiers	8,389	\$9.09
Registered Nurses	8,242	\$31.38
Office Clerks, General	7,327	\$14.85
Heavy & Tractor-Trailer Truck Drivers	6,656	\$21.66
Waiters & Waitresses	6,017	\$8.91
Janitors & Cleaners, Except Maids and Housekeeping Cleaners	6,003	\$12.70
General & Operations Managers	5,683	\$34.17
Secretaries & Administrative Assistants, Except Legal, Medical, and Executive	5,672	\$13.17

EMPLOYMENT BY INDUSTRY



KEY EMPLOYMENT PROJECTIONS 2018-2025





PREPARATION OF THE WORKFORCE FOR CURRENT & FUTURE JOBS

The key question for workforce preparation is “prepared for what?” The Indiana Chamber of Commerce’s 2018 Employer Workforce Survey reports that 62% of employers find that the supply of job applicants does not meet demand, and 51% have left jobs unfilled in the past year due to under-qualified applicants. For the unfilled jobs 33% require an Associate’s Degree or higher, which is down from 40% the previous year. The survey indicates that the biggest need for credentials is in industry-recognized certifications/occupational licenses, which rose as a minimum requirement to 18% from the prior year’s 11%. The value of such credentials for employment in the region’s major sectors of healthcare and manufacturing continues to increase, along with the value of information technology (IT) certifications across all sectors.

Readiness for high-quality jobs in Northwest Indiana requires three primary elements:

- 1 High school graduation as the basic entry requirement.**
A high school diploma or equivalency is the minimum foundation for most jobs and for lifelong learning that will be needed to adjust to labor market needs. Approximately 10% of the region’s adults over age 25 do not have a diploma. The region’s K-12 graduates are better prepared for college than they were four years earlier, as reported by colleges in Indiana. New state graduation requirements will further strengthen readiness for careers and college. From 2012-16, those enrolling in college decreased by 2.7%
- 2 Post-high school credentials that align with employers’ needs.**
The availability of short-term training for certification in high-demand

occupations continues to increase, driven by demand of employers and job seekers and by Indiana’s Next Level Jobs initiative. Using a combination of state, federal, and employer funding, adults and new high school graduates are obtaining valuable credentials in record numbers in the region. The credentials can be applied immediately to fill skill gaps of employers and serve as credits toward higher-level degrees, helping to establish a culture of lifelong learning that will be essential for navigating a volatile labor market.

- 3 Work ethic/“soft skills” that supplement occupational credentials.**
Employers consistently emphasize the need for work ethic, teamwork, problem-solving, conflict management, customer communications, and other professional/soft skills as essential for meeting their needs. The Northwest Indiana Workforce Board and its Youth Employment Council have a long history as champions of Work Ethic Certifications for students. More recently the State of Indiana created a statewide Governor’s Work Ethic Certificate, and our region leads other regions of the state in production of certificates awarded, with 21% of all awards coming from Northwest Indiana.

As a result of leadership by regional employers and educators, Career and Technical Education (CTE) programs at both the K-12 and college levels continue to broaden the field of options for students and workers as we promote the need for “post-secondary credentials for all” in the region. This does not diminish the promotion of 4-year degrees, as attainment of industry credentials and pursuit of CTE programs often serve as alternate and affordable routes for attaining 4-year degrees.

IMPLICATIONS FOR EMPLOYERS

- > Employers will need to be very specific about skills that are needed and the credentials that are valued as proof of skills.
- > Employers will need to move from advisors for classroom programs to full partners with educators in creating work-based learning programs integrated with classroom training – apprenticeships, co-op programs, internships, and other means.
- > In partnership with educators and workforce development programs, employers can address skills development for new and existing workers with available grant programs.

IMPLICATIONS FOR WORKERS

- > No worker or student should view attainment of post-secondary credentials as unaffordable, as multiple options are available at low or no cost.
- > Continual upskilling will need to be embraced by all workers as the mechanism for protecting jobs and employment.

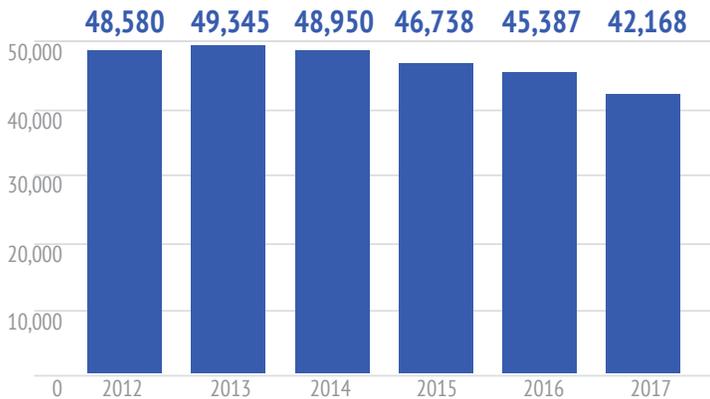
IMPLICATIONS FOR EDUCATORS

- > Many programs and curricula exist in silos. As employers increasingly need workers that blend multiple disciplines, traditional education will need to be more agile in meeting those needs.
- > More than ever, higher education will need to provide degrees in the format of stackable, short-term credentials. The idea of the degree as the end goal for students will need to be replaced with the degree as the start point for ongoing professional advancement tied to acquisition of further credentials tied to employer-defined needs.

HOW PREPARED IS OUR WORKFORCE?



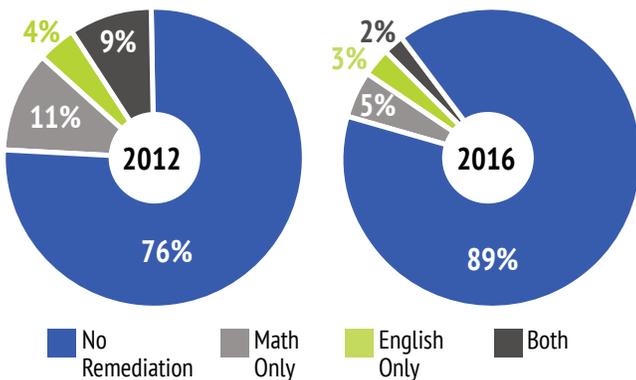
NWI COLLEGE & UNIVERSITY ENROLLMENT



COLLEGE COMPLETION RATES

Campus	On Time Completion Rate	5 year Change	6 Year Completion Rate	5 year Change
Indiana Public 2 yr	12.7%	9.0%	32.2%	4.9%
Ivy Tech Northwest	9.7%	7.4%	32.2%	13.0%
Indiana Public 4 yr (Non-Main Campus)	23.6%	12.1%	48.2%	7.3%
Indiana University Northwest	16.6%	8.0%	36.3%	2.7%
Purdue Northwest (Hammond)	27.0%	15.8%	36.3%	2.7%
Purdue Northwest (Westville)	21.7%	14.1%	45.7%	5.2%

COLLEGE REMEDIATION



COMPLETIONS BY FIELD OF STUDY

FIELD OF STUDY	Certifications	Associate's Degrees	Bachelor's Degrees	Master's Degrees	Total For All Fields of Study
Agriculture, Conservation & Bio-Science	0	1	189	15	205
Engineering & Related Fields	14	28	367	139	548
Computer & Information Sciences	0	2	99	180	281
Health Professions	322	138	1,141	77	1,678
Business, Management & Related	42	46	615	233	936
Total: All Fields of Study	485	301	3958	974	5,718

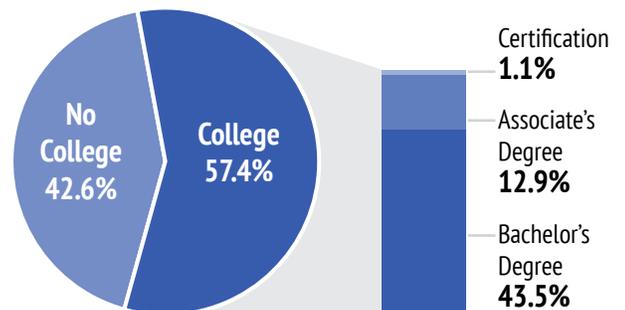
■ Certifications ■ Associate's Degrees ■ Bachelor's Degrees ■ Master's Degrees



EDUCATIONAL ATTAINMENT

	18-24	25-34	35-44	45-64
No Diploma	18% 13,771	10% 10,863	9% 10,101	9% 21,842
High School Diploma or Equivalent	37% 27,947	29% 29,580	29% 31,250	39% 89,504
Some College, No Degree	34% 25,890	26% 27,117	24% 25,986	22% 51,998
Associate's Degree	3% 2,460	10% 10,463	12% 13,317	9% 20,705
Bachelor's Degree	7% 5,488	19% 19,805	17% 8,312	13% 31,096
Graduate or Higher	1% 576	6% 5,908	7% 7,812	7% 17,114

NWI COLLEGE ENROLLMENT BY DEGREE



65% Certifications awarded by all NWI post-secondary institutions have increased from 2012-2016



BUILDING SKILLS & CREDENTIALS TO INCREASE FAMILY INCOMES

Northwest Indiana has a complex and intertwined relationship with the broader Metro Chicago labor market area, both with employers and their suppliers and with workers and their commuting patterns. While the region's population appears more like Chicago than like the state of Indiana in terms of ethnicity and unemployment rates, the region's level of affluence mirrors that of Indiana, not Chicago. As noted in the Ignite the Region plan, one-fifth of households in Northwest Indiana earn over \$100,000 a year, similar to the state of Indiana (19%) but notably less than the U.S. (25%) and Chicago (31%). 61% of families in the Chicago Metro Area (excluding the Northwest Indiana counties) have an income level above \$50,000, compared to 51% of Northwest Indiana families. A substantial number of the region's residents commute to higher-paying jobs outside the region, with a high percentage in the 30 to 54 year-old age group who earn approximately \$40,000 per year. Inbound commuters are younger and earn less.

We are not only at an "economic crossroads" as stated in Ignite the Region, but we are also at a point where a convergence among employers, educators, and working families with low incomes can combine to raise regional skills, credentials, and wages. While many economists view our current low unemployment rates as evidence of an economy at close to a "full employment" level, many workers remain at income levels where they could not be considered "fully employed." Many current employees are lacking significant skills (the under-skilled) and others have skills and education credentials that don't align with current needs (the underemployed). Those workers who are under-skilled or have misaligned skills may be trapped in low-wage jobs and remain among the working poor, with limited financial assets or economic opportunity.

The United Way has undertaken a multi-state ALICE (Asset Limited, Income Constrained, Employed) effort to find and better serve those families. As part of this effort, they have studied the annual wages families need to survive in each of Northwest Indiana's counties. The annual survival wages for a single parent of a school age child range from \$31,000 to \$36,500 across our region.

In Lake County, for example, there are over 40,000 such households in addition to over 27,000 living below the official poverty level. Gary and East Chicago alone account for 18,500 households that are either below the poverty level or below ALICE levels. At the same time, employers are struggling to fill critical skill gaps and our colleges find it difficult to attract students, as much of the population is working while meeting family needs, leaving little time for enrollment.

With creative approaches we can meet three needs simultaneously:

- 1 Close the skills gap for employers by advancing skills of low-wage workers;**
- 2 Increase college-level enrollments using multiple sources of training funds, and**
- 3 Increase wages and advancement opportunities for working families, not by raising wage levels for existing skills but by increasing the value of the employees to their employers.**

IMPLICATIONS FOR EMPLOYERS

- > Jobs for which applicants are currently scarce can be filled by systematically advancing the skills of employees with proven work histories with the employer.
- > Funds already budgeted by employers (tuition reimbursement, other training funds) can be employed for greater return-on-investment using strategies that target key skill gaps.

IMPLICATIONS FOR WORKERS

- > Pathways for increases in skills, credentials, and wages will now be possible while continuing to work and support families.
- > Workers will re-engage with educational providers to set the stage for further skills development that will be needed to adapt to changing needs in the labor market.

IMPLICATIONS FOR EDUCATORS

- > Enrollments can increase as a result of new, creative work-and-learn strategies with employers and their existing workers.
- > Desired reportable outcomes for employment and training relevance will be built into training plans.

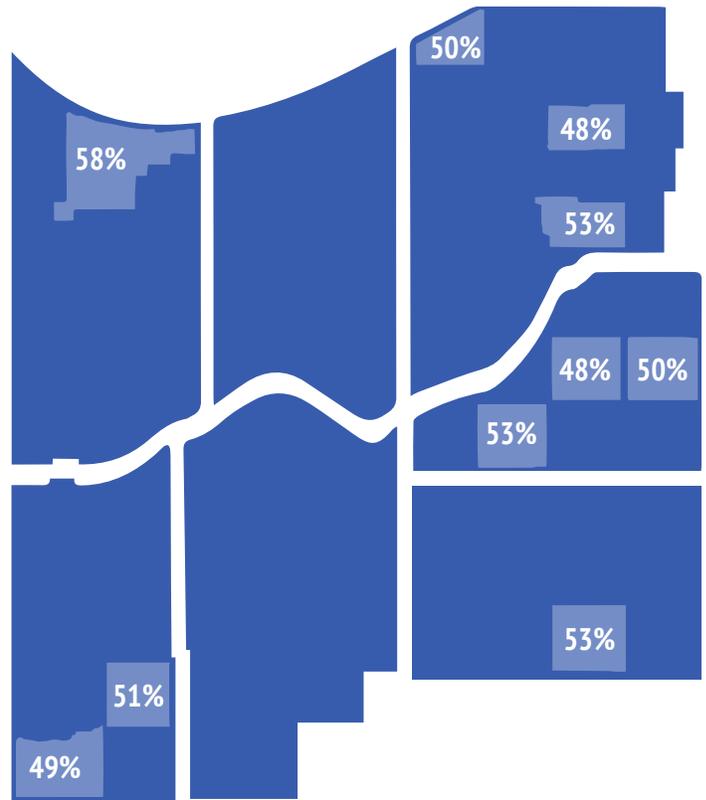
WHAT DO OUR WORKERS & FAMILIES EARN?



HOUSEHOLD POVERTY RATES

	2016 Rate	Change Since 2010
Jasper	7.8%	0.6%
Lake	15.3%	0.1%
La Porte	13.0%	-1.1%
Newton	11.0%	3.0%
Porter	8.7%	-2.2%
Pulaski	14.0%	-0.3%
Starke	13.9%	-0.6%
NWI Total	13.3%	-0.5%
Indiana	14.5%	0.4%
United States	12.7%	-1.6%

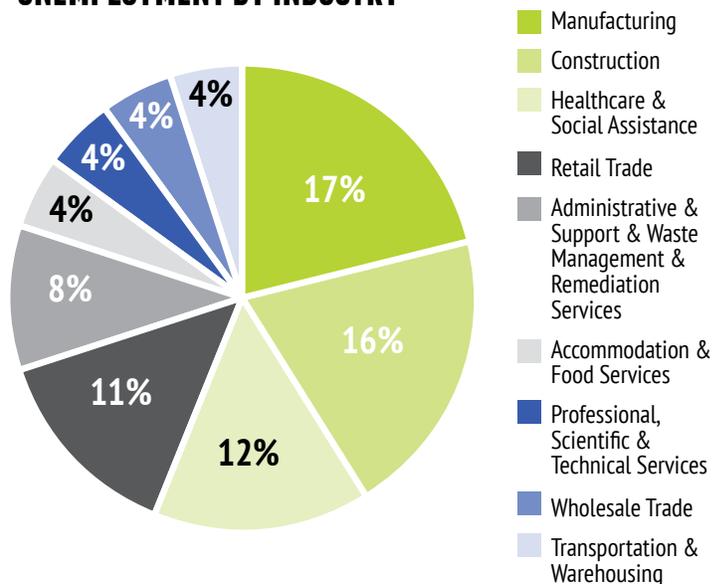
PERCENTAGE OF HOUSEHOLDS BELOW ALICE SURVIVAL BUDGET (2016)



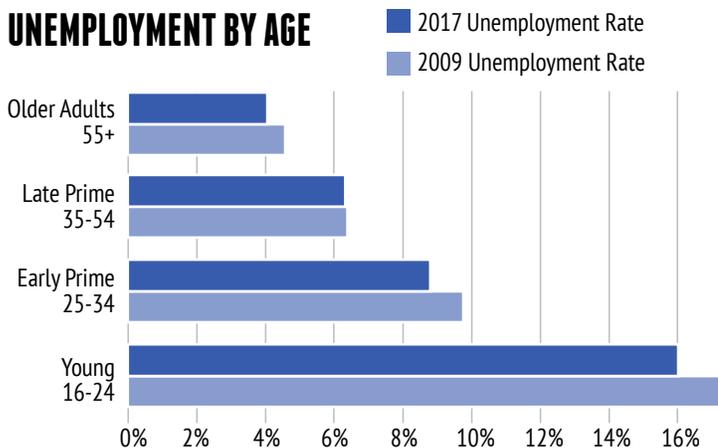
TEN MOST COMMON OCCUPATIONS

	NWI Median Hourly Wage	Remainder of Chicago MSA Median Hourly Wage
Combined Food Preparation & Serving Workers, Including Fast Food	\$8.98	\$10.13
Retail Salespersons	\$9.86	\$11.20
Cashiers	\$9.09	\$10.28
Registered Nurses	\$31.38	\$35.97
Office Clerks, General	\$14.85	\$17.00
Heavy & Tractor-Trailer Truck Drivers	\$21.66	\$22.32
Waiters & Waitresses	\$8.91	\$9.76
Janitors & Cleaners, Except Maids & Housekeeping Cleaners	\$12.70	\$13.39
General & Operations Managers Secretaries & Administrative	\$34.17	\$53.65
Assistants, Except Legal, Medical, & Executive	\$13.17	\$17.82

UNEMPLOYMENT BY INDUSTRY



UNEMPLOYMENT BY AGE





WHAT TRENDS IMPACT TALENT READINESS?

TECHNOLOGY SPLITTING THE WORKFORCE

The New York Times (Tech is Splitting the U.S. Work Force in Two, 2/4/19) reports on recent research on the configuration of work that is emerging from the introduction of technology. Economists are reassessing their beliefs that technological progress “lifts all boats,” as they see a splitting of jobs into two categories. “There is a small island of highly educated professionals making good wages. That island sits in the middle of a sea of less educated workers who are stuck at businesses like hotels, restaurants and nursing homes that generate much smaller profits per employee and stay viable primarily by keeping wages low.” Jobs in these less productive sectors are hard to automate and employers have little financial incentive to replace low-wage workers with machines. Jobs in highly productive industries (finance, manufacturing, information services) have shrunk. Recent research (Is Automation Labor-Displacing, MIT/Utrecht University, 3/9/18) found that over the last 40 years, jobs fell in every industry that introduced technologies to enhance productivity.

AUTOMATION'S IMPACT ON INDIANA'S JOBS

Indiana is the most manufacturing heavy state in the nation, as measured by the percentage of jobs tied to the manufacturing sector. A new report from the Brookings Institution (Automation and Artificial Intelligence, Metropolitan Policy Program, January 2019) cites Indiana's reliance on the manufacturing sector as one of the root causes for its conclusion that Indiana as the highest percentage of jobs in the U.S. that could be lost as a result of automation. Consistent with national studies, the report for Indiana concludes that “jobs not requiring a college education are 229% more vulnerable to being taken over by automation than careers requiring at least a bachelor's degree.” The report notes that historically technologies have impacted middle-skill jobs, resulting in the shifting of workers from these jobs to lower-end service jobs. Now, the lower-skilled jobs are being impacted by automation also and leaving low-skilled workers even more at risk. Indiana Chamber President Kevin Brinegar notes, in response to the findings, that the 2018 Chamber Workforce Survey showed employers already having issues finding skilled labor and as a result will accelerate efforts toward automation. Brinegar stated that “the high school diploma is not enough anymore” and post-secondary credentials must be widely available and “stackable so that folks can move from one level to higher levels on the career ladder.” The author of the Brookings study stated that Indiana has the chance to take the lead in the nation on developing a skilled workforce consistent with the emerging needs to run the new technologies. In doing so, Indiana will need to be persistent in continually educating workers as automation transforms each industry.

EMERGENCE OF THE “HYBRID JOB”

As millions of jobs will be impacted, either created or destroyed, by technological change over the next decade, a new study (The Hybrid Job Economy: How New Skills Are Rewriting the DNA of the Job Market, Burning Glass, January 2019) highlights that “the most profound – and under-appreciated – trend in today’s labor market is how technology is mutating jobs into new, unexpected forms.” These jobs combine skill sets that never used to be found in the same job. The report states that “fully on-quarter of all occupations in the U.S. economy show strong signs of hybridization, and they are almost universally the fastest-growing and highest-paying – and also the most resistant to automation. Some of these jobs are new, some are new versions of existing jobs, but all of them pose much different challenges for workers, employer, and educators.” The report’s analysis of nearly a billion current and historical job postings yields the following insights:

- > 1 in 8 job postings is now highly hybridized with more than 250 different occupations;
- > Hybrid roles are projected to grow twice as fast as jobs overall (21% vs 10%);
- > Technology is a key component, but not the only one – soft skills, analysis, and management are often in the mix;
- > Hybrid jobs are less likely to be automated, as they require judgment and analysis – overall, 42% of all jobs are potentially replaced, but only 12% of hybrids;
- > Only 16% of hybrid jobs are entry level, as they often require aggregation of acquired work experiences and training;
- > 5 key skills areas for hybridization include: 1. Data/Analysis; 2. Design/Development; 3. Sales/Customer Service; 4. Digital Technologies; and 5. Regulations/Compliance.

The challenge for employers, workers, and educators is that few hybrid jobs are entry-level positions. Hybrid jobs are hard to fill, as evidenced by the length of time that many hybrid jobs stay open. The opportunity that exists for employers and educators is that adding a few skills to the job of an existing worker can create the desired hybrid mix. This will require more flexibility in training delivery by educators and a systematic approach to advancing talent by employers.

JOBS THAT CAN LAUNCH CAREERS

An in-depth analysis (When is a Job Just a Job – and When Can It Launch a Career, JFF, Lumina Foundation, Burning Glass, 2018) of over 4 million resumes of job seekers explored the issue of career advancement prospects of people entering middle-skill jobs. The research found that different types of jobs offer considerable differences in advancement potential and financial stability. The “Opportunity Framework” used in presenting the findings divided jobs into three categories: Lifetime Jobs; Springboard Jobs; and Static Jobs. Lifetime Jobs are careers in themselves, offering little advancement, but providing good salaries/benefits and long-term stability. Springboard Jobs offer advancement, more responsibility, and higher pay within the same career area. Static Jobs have lower pay, little advancement potential, and typically don’t lead to careers. The Healthcare and Manufacturing sectors have the highest percentages of Lifetime Jobs, but these jobs require specific, higher-level credentials to enter (such as Registered Nurse and Machinist). These two sectors also have the highest percentages of Static Jobs and almost no Springboard Jobs. Most of the Springboard Jobs are in the Business and IT sectors. Thus, training programs aimed at providing jobs with good wages in stable careers should focus on preparation and job placement into either Springboard Jobs (where advancement can occur naturally within the sector) or into Lifetime Jobs (which require higher investments of funds and time). The implication for workers who are currently in Static Jobs is that acquisition of new credentials or movement to a different industry sector will be needed for advancement in responsibilities and wages.



CONCLUSION: PLAYING TO OUR WORKFORCE STRENGTHS

Every edition of our State of the Workforce series addresses the issues of current and future readiness of Northwest Indiana's workforce to meet the demands of employers. Rapid technological change is impacting every business sector and every occupation, but the degree and pace of this "digitalization" vary by industry and by geography. As noted, Indiana has one of the highest percentages of jobs nationally that will likely be impacted by automation, many of those in manufacturing. But Northwest Indiana sits adjacent to a more diversified Chicago economy, the ninth largest in the world and the major economic driver for the entire Midwest. Our unique geographic positioning presents many opportunities for our workforce and our employers if they can both navigate the rapid pace of change and innovation for their mutual benefit. We have plenty of reasons for optimism. While we must apply our strengths in new and transformative ways, we are still well grounded in basic strengths for long-term success, including:

1 WE ARE PRODUCERS.

We inherently understand from our manufacturing roots that production for export creates regional value and provides a multiplier effect for creation of other jobs. In the new digital economy, regions will be either producers or consumers of technology. In 2018, Northwest Indiana imported almost all of its services in key areas of computer systems design and custom computer programming, while Central Indiana and Chicago imported almost none. We must continue to embrace the new skills of production in a digital economy.

2 WE HAVE DIVERSITY AND WORK ETHIC.

We are more ethnically diverse than the state as a whole, which facilitates the retention and attraction of a diverse talent pool in the region. With strong roots in manufacturing and agriculture, we also possess a work ethic that is highly sought by employers. Over the past decade Work Ethic Certification has been incorporated into our K-12 school systems, and has now been enhanced by the Governor's Work Ethic Certificate awarded at graduation. We are the largest producer of work ethic certifications in the state, and our employers are increasingly recognizing the value of the awards and collaborating with our schools. In this rapidly changing economy, our work ethic will need to evolve to a work-and-learn ethic with continual upskilling.

3 WE GRADUATE FROM HIGH SCHOOL READY TO WORK.

Our high school graduation rate continues to be higher than the state and national rates. In addition, data from the Indiana Commission for Higher Education shows an increasing percentage of our high school graduates are entering college without the need of remediation. But the high school diploma is no longer sufficient for acquiring wages necessary to support families. In response, our schools are providing more dual credit programs with colleges, more industry certifications, and more career/technical programs aligned with local employers' needs. Our schools are also positioned well to implement the new state graduation requirements that include expanded connection of students to employers.

IN SHORT, OUR WORKFORCE IS STRONG. WE MUST PLAY TO OUR REGION



4 WE ARE MOBILE.

Commuting to where the good jobs are is a way of life for many of our residents. We currently have a net loss of talent via commuting, with a substantial percentage of out-commuters at higher wage levels. In the short term this serves to bring wealth back to our neighborhoods and to the region. Longer term, these exported skills are an asset for economic development in attracting new jobs. The Regional Development Authority (RDA) and other regional planners are working to expand transportation options to further increase mobility, also resulting in community development and job creation along rail lines. Enhanced transportation also allows our region's employers to access pools of talent in neighboring states and regions.

5 WE ARE INCREASINGLY THINKING REGIONALLY.

We are not dominated by one central city within the region. Unlike other regions in the state, we are multi-modal, which is an asset for local development and quality of life, but only if we collaborate to promote the region and address issues on a regional basis. The One Region, One Vision process in 2011-12 launched a new era for regional planning, along with the creation of One Region as an organization focused on quality of life as the Northwest Indiana Forum leverages the work of local economic development organizations to promote the entire region. Our residents see the power of regional approaches also, with 86% responding in a 2015 survey that there needs to be greater collaboration among local governments in the region. As we strive to be the residential destination of choice in the broader Chicago region, we also become the destination of choice for employers who depend on that talent for growth.

IAL STRENGTHS TO KEEP IT THAT WAY.



PROUDLY SUPPORTING IGNITE THE REGION NORTHWEST INDIANA'S STRATEGY FOR ECONOMIC TRANSFORMATION

The Northwest Indiana Workforce Board and its staff at the Center of Workforce Innovations will continue to lead talent development initiatives within the Ignite's framework as we work with our highly-respected K-12 system and our first-rate higher education institutions to ensure that the talent base is created to fuel regional development. We know that recovery since the recession has been uneven in the region, both geographically and among population groups. Thus, we are also committed to an equity agenda that ensures that all residents of the region have access and support services for acquiring education, training, and jobs in the region. Our regional talent network of partner organizations will continue to be a model for the state and the nation.

IGNITE

THE REGION

Northwest Indiana's Strategy for Economic Transformation



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