

New River/Mount Rogers



A detailed assessment of the challenges and opportunities in
WORKFORCE INVESTMENT AREA II

Executive Summary

In 2002, the New River/Mount Rogers Workforce Investment Board of Virginia's Workforce Investment Area II contracted with Virginia Economic Bridge, Inc. to perform a 12-month needs assessment for the region. Utilizing economic, workforce and community analyses, a Community Audit was developed to address the opportunities and challenges existing in the counties of Bland, Carroll, Floyd, Giles, Grayson, Montgomery, Pulaski, Smyth, Washington and Wythe, as well as the cities of Radford, Galax and Bristol.

The New River/Mount Rogers Workforce Investment Area of Southwestern Virginia is predominately rural with an economic structure that reflects significant historical industrial development and business presence. Traditional economic mainstays such as the manufacturing and textiles industries are diminishing rapidly within the region, as well as nationally. However, new businesses are emerging, and with them come new skill requirements that will need to be met in the future for continued economic vitality in the region.

The concept of the Community Audit brings together information on economic and labor trends to support both strategic planning and Workforce Investment Area II program operations. The basis for the study is a common block of information of demand and supply sides concerning Southwestern Virginia's regional labor market. The analysis is a result of a study of the kinds of workforce development and other critical resources available such as work skills, transportation, housing, child care, supportive services and so on. The Community Audit is fundamentally a strategic planning effort that involves all relevant stakeholders. Community and regional leaders assess current and future skill needs and declines that may signal future challenges. With this strategic tool, options are outlined that can help facilitate regional resources being effectively matched with labor supply and labor demand.

Analysis was performed on data from the United States Census, Department of Labor, O*NET, the latest quarter's ES-202 data, questionnaires, interviews and focus groups. Community Audit advisory groups were formed with local, regional and state economic, workforce and community developers. Outreach was achieved with local residents, industries, educators, Workforce Investment Area partners, Chambers of Commerce and civic and business associations.

Key findings and conclusions from the economic, workforce and community assets analyses performed in this study are summarized in this overview and include the following:

Source: Virginia Economic Bridge, Inc.

Economic Analysis Findings

- Manufacturing industries are generally in decline.
- Current workforce strengths are in production, transportation, and logistics.
- Automotive-related industries are tied to higher wealth creation.
- Competitiveness is strongly linked to automotive related clusters.
- Largest shifts over last 30 years have been away from traditional manufacturing and toward services and retail trade, i.e., all but 3 growing slower than the national average of 1.6%.
- Population is barely growing.
- Rural economic base is highly dependent on large manufacturing base compared to the state and nation.
- Region has stewardship of a high number of patents and SBIR grants.
- Small business vitality compares well to the state small business attrition rate. Universities and patent ratings offer high potential to retain small business professions.
- Emerging clusters were uncovered for high technology industries; Growing clusters are in electronics; Stable, mature clusters are in automotive related industries; Declining clusters are in textiles and apparel industries.
- The region is high in associate degrees and some college compared to other study regions.

Source: Chmura Economics & Analytics

Workforce Analysis Findings

Opinions on Existing Workforce

- Collectively, survey scores fell below 3.5 (Fair) in each of the 4 main categories: education, skill level, productivity & quality, and retention & mobility.
- As a whole, respondents rated the education of the workforce as average
- Education and skill levels within communities continue to be key selection criteria for employers.
- Business leaders provide an excellent rating to higher education institutions in being equipped to educate our workforce; however, high schools and government-sponsored programs scored lower (average).
- All industry employers rate colleges, universities, and vocational/technical institutes as good or excellent at preparing our workforce. While these institutions were rated high overall, continuing education providers were rated low in meeting the specific needs of the Financial, Insurance and Real Estate industries.
- Respondents rated the workforce's educational capacity as high, and scored its highest capacity in computer technology.
- The majority of respondents rated their ability to attract a qualified workforce from outside the region as poor to very poor.
- The majority of respondents rate their ability to find/recruit specialized workers as poor to average.
- The high number of poor/very poor ratings in transportation and mobility points to a basic workforce need going unmet. A direct correlation can be drawn between the lowest transportation ratings in the manufacturing and hotel fields and the retention problems also shown in these industry categories.

Source: Virginia Economic Bridge, Inc.

Employment Vacancies

- 6,061 advertised vacancies were listed during a 4-week observation period. Out of those vacancies advertised, 51% were for skilled positions with the other 49% for unskilled positions.
- Occupations found most in demand in the New River/Mount Rogers region include:
 - Healthcare practitioner and technical occupations
 - Office and administrative support occupations
 - Transportation and material moving occupations
 - Sales related occupations
 - Managerial occupations
- Following the national pattern, the healthcare industry is experiencing a huge demand for an increased number of healthcare workers, especially within the nursing occupation. According to local, as well as national healthcare representatives, increased training and licensure programs for the healthcare industry, specifically the nursing component, needs to be addressed. Responses from follow-up interviews reinforced the fact that healthcare facilities are experiencing a much higher demand for healthcare workers than can be supplied.
- Representatives reported that workers seeking office and administrative support positions outnumber available positions, especially in the Mount Rogers area.
- The top reasons cited for difficulties with filling vacancies were that applicants did not meet the experience or education requirements.
- Representatives from each of the industries reported a lack of work ethic and professionalism as a huge challenge when successfully filling vacancies. Repeatedly, suggestions were made for high schools, community colleges, and four-year institutions to focus more attention on preparing their students for what is expected of them in the work world.

Source: Virginia Economic Bridge, Inc.

Employer Perspectives

- Over the next year, 87% of participants report that their business will increase or remain the same.
- In the past year, employers have needed individuals with high school, vocational and community college degrees more than individuals without a degree or those possessing a bachelor's or graduate degree from a four-year institution.
- Overall, employers rate the skills of the New River/Mount Rogers workforce as average.
- Low ratings given to written and math skills are consistent with reports from interviews and focus groups.
- When participants were asked if workers' skills were formally assessed, 79% said no. The remaining 21% list aptitude tests, work sample tests, behavioral interviews, typing tests, annual evaluations and job specific tests as ways they assess their specific workforce.
- 90% of employers recruit in-house by providing re-training opportunities.
- Over the next five years 52% of companies' training needs will increase with 73% of those reporting they would consider using a local training provider.
- Less than 50% of the participating employers have accessed federal dollars for training purposes.
- Most institutions received a rating of good to excellent by the majority of participants. Private high schools were rated below average by 46% of the respondents. Community colleges were rated the highest, with 61% of the respondents rating them good to excellent.
- Employers ranked improving or expanding career and technology education programs in high schools and community colleges as the top state policy action.
- Over 80% of employers are willing to collaborate with other businesses, government and educational systems to overcome workforce challenges.

Source: Virginia Economic Bridge, Inc.

Residential Perspectives

- The six largest industry categories respondents reported working in are the manufacturing, business and professional service, medical, retail sales, transportation and education industries. These six industry categories appear to be representative of the jobs that are in the greatest demand in our region of Southwestern Virginia according to results of the Residential Workforce and Vacancy Surveys. According to economic research gathered by Chmura Economics and Analytics, all but the manufacturing industry is forecasted to be an emerging industry over the next six years.
- The highest percentage of respondents reported working in the manufacturing industry, even though that industry has been, and will continue, to decline.
- In accordance with results from the Vacancy and Employer Survey, the largest percentage of employees reported working in the private sector, with the second largest percentage working for the state government. These results are representative of employer sector trends in Virginia, as well as nationally.
- An overwhelming majority of respondents reported working within the region, and over. 75% of those work less than 30 minutes away from their homes. The majority of those not currently working in the area reported that they would be interested in obtaining a job within the region if possible.
- 87% of the workforce reported having a high school diploma.
- 70% of the workforce reported having post high school education.
- One of the highest rated categories of interest in re-training is the healthcare field.
- Armed with this information, educators and workforce developers can better prepare the upcoming workforce as to which industries hold the most hope for long-term careers, as well as encourage dislocated workers to pursue re-training in industries that are expected to grow.

Source: Virginia Economic Bridge, Inc.

Occupational Outlook

- Findings from the projections included in this detailed skills analysis indicate that in the next four years emerging occupations could offer the New River/Mount Rogers region with approximately 9,388 job openings. This number includes increases in occupational demands, as well as acknowledges turnover that will possibly occur in each occupation.
- Occupations found in the New River/Mount Rogers region to have the highest projected growth over the next six years include:
 - Information Technology Industry**
Computer Scientists, Systems Analysts, Computer Engineers
 - Healthcare Industry**
Physician Assistants, Physical and Correctional Therapy Assistants, Respiratory Therapists, Surgical Technologists, Home Health Aides, Medical Assistants, Personal/Home Care Aides, Dental Assistants, Licensed Practical Nurses, Physicians
 - Sales Industry**
Securities/Financial, Sales, Telemarketers, Door-To-Door Sales
 - Education Industry**
Teachers, Preschool, Education Services
 - Services Industry**
Telephone/Cable TV Installation and Repairs, Landscape/Groundskeepers, Cooks, Restaurant, Food Service & Lodging Managers, Combination Food Preparation and Service Workers, Adjustment Clerks
- Occupations found to be most in demand and hardest to fill within the New River/Mount Rogers region include:
 - Adjustment Clerks
 - Computer Engineers (Hardware and Software)
 - Dental Assistants
 - Laborers, Landscapers, Groundskeepers
 - Physicians
 - Respiratory Therapists
 - Securities/Financial Sales
 - Systems Analysts
 - Teachers (Preschool)
 - Telemarketers, Door-to-door Sales
 - Telephone/Cable TV Installers/Repairers

Source: Virginia Economic Bridge, Inc.

Prepared by: Virginia Economic Bridge, Inc.



Emerging Workforce

Higher Education

- The study region has tremendous potential to train and provide a highly skilled and technologically competent workforce for current employment needs and projected future occupations.
- The majority of recent graduates staying in the area come from the region's community colleges. In order for the region to become more competitive in attracting new service-based industries, provide for additional technological growth, and increase its targeted workforce population base of 25-44 year olds, specific attention must be placed on identifying methods for retaining a larger percentage of the graduates not only from the region's existing four year institutions, but others in surrounding areas.

Student Preparedness

- New River /Mount Rogers' educational personnel rate all students' skills as average or better than average, except in the area of Advanced Information Technology skills, which were rated below average.
- The Standards of Learning (SOL) have improved in nearly every single subject in every single school over the past year. Even so, the New River Mount/Rogers region is behind the state averages in the accreditation status of their schools, although they have made significant improvements. Funding for SOL remediation programs in certain core areas of the region may be in order.
- Some school systems mentioned a lack of good arts and strong vocational programs at their schools. However, the region still has a high percentage of students enrolled in vocational programs. Students being awarded standard diplomas and vocational certificates are learning the skills needed for employment in the region even though current reforms in the Virginia Department of Education are resulting in more students being encouraged to attend college.

Source: Virginia Economic Bridge, Inc.

Community Analysis Findings

Community Assets

- Community Assets of the region include over 5,000 resource providers and additional data from 19 different categories including: Training Providers, Child Care Providers, Residential Care Providers, Health Care Providers, Social Service Agencies, Staffing Agencies, Youth Services, Labor Organizations, Local Transportation, Business Services, Financial Institutions, Civic Organizations, Community Foundations, Quality of Life, Faith-Based Organizations, Education Providers, Economic Development Organizations, Workforce One-Stop Centers, and local, regional, state and federal Governmental Links, all considered basic resources that a community needs.
- There are more than twice as many Social Service providers in the New River Valley than in Mount Rogers. Follow up interviews indicate a need for additional free clinics and mentoring and counseling centers in the Mount Rogers area.
- There are also more Business Service providers and Staffing Agencies located in the New River Valley than in the Mount Rogers region. However, there are almost twice as many One-Stop Centers and Training Providers in the Mount Rogers area.
- More Labor Organizations exist in the Mount Rogers region than in the New River Valley, which may impact the attraction of new companies, especially in the manufacturing industry.
- There are similar numbers of Transportation Providers in both areas; however, the need for public transportation is a persistent problem that affects both the New River Valley and Mount Rogers' areas.

Source: Virginia Economic Bridge, Inc.