

Gulf Coast Workforce Board Workforce Solutions

INNOVATE CONNECT THRIVE

OUR STRATEGIC VISION FOR 2024-2029

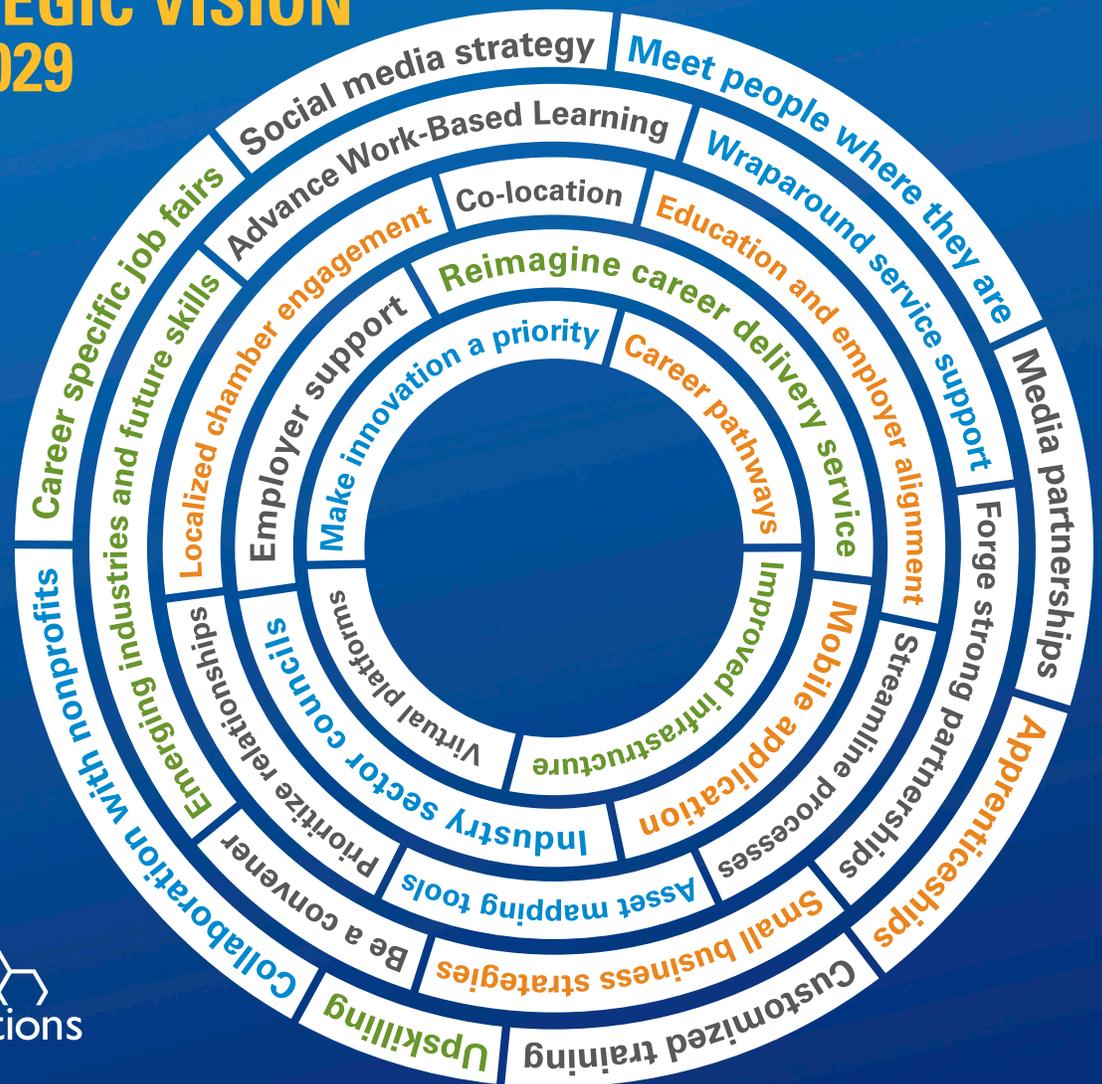


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THRIVE

CONNECT

INNOVATE

LETTER FROM THE CHAIR

Dear Community,

Over the past year, the Gulf Coast Workforce Board has embarked on an important journey to define our path forward. We have undertaken a comprehensive strategic planning process to redefine our vision, set actionable goals, and align our resources to effectively meet the challenges of an evolving industry and economic landscape over the next five years.

Achieving our goals would be impossible without a strategic plan that clearly describes our vision for success and drives the efforts of the regional workforce system. Our forward-thinking vision establishes a clear and ambitious direction, intended to guide all subsequent activities and ensure we achieve tangible and measurable outcomes.

The year-long journey to create this plan has not only sharpened our focus but also fostered a culture of collaboration and accountability. It serves as a blueprint for our continuous commitment to excellence and innovation and provides us with a clear framework for meeting future challenges. It is designed to be a dynamic document that allows for adaptivity and responsiveness to changing environments and continually evolving workforce needs.

This comprehensive five-year plan is built on the core values of the board. It will serve as the primary tool to align the diverse communities across the Gulf Coast region, encouraging collaboration and innovation to drive economic prosperity. We are confident that it will lead to improved operational efficiency, enhanced customer satisfaction, and sustained growth for our region's employers.

We'd like to acknowledge and thank our dedicated board members for their considerable contributions to this effort, as well as all the stakeholders who have taken part in this process. Your input has been invaluable and foundational to our collective success.

Sincerely,



Mark Guthrie
Board Chair



Carl Bowles
Strategic Planning Committee Chair

BOARD MEMBERS

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MICHAEL WEBSTER *Houston Community College*

BINYU *Asian Chamber of Commerce*

ACKNOWLEDGMENTS

The Gulf Coast Workforce Board would also like to thank all those who participated in input sessions across the region, including educators, community organizations, chambers of commerce, employers, and other workforce organizations. We'd also like to thank the many customers, board, and frontline staff who provided input through extensive surveys. Your feedback has been invaluable to this process.



MISSION AND VISION

The Gulf Coast Workforce Board’s strategic planning process led to a refined mission and vision that more accurately reflects our commitment to addressing the needs of our region and represents our renewed focus and strategic direction.

The new mission statement underscores our dual commitment to supporting both employers and individuals, ensuring that our efforts contribute to a competitive global economy. Our vision captures the Board’s broader aspirations to not only drive economic growth but also to support everyone in our diverse community in achieving their full potential. These principles will guide us as we strive to make a meaningful impact on the Gulf Coast region.



MISSION

We help employers meet their workforce needs and individuals build careers so both can compete in the global economy.



VISION

To strengthen business and industry, drive the economic growth of our region, and create thriving, inclusive communities where everyone has opportunities to earn, learn, and prosper.

OUR CORE VALUES

INNOVATION

We Drive Creative Solutions.

INCLUSIVITY

We Value Every Voice.

EXCELLENCE

We Aim for Exceptional Results.

ACCOUNTABILITY

We Honor Our Commitments.

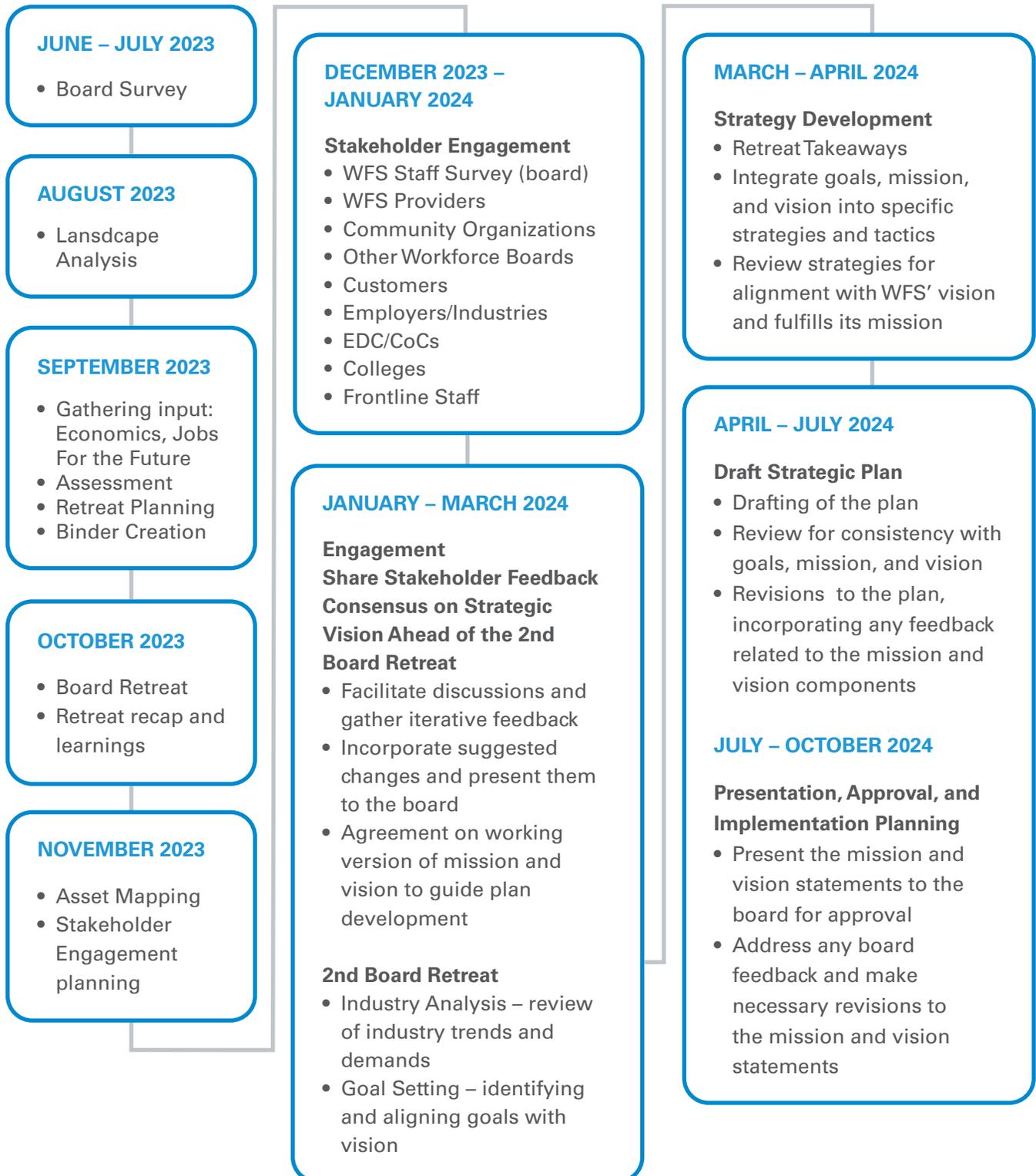
CONNECTION

We are Committed to the Community We Serve.

COLLABORATION

We Achieve More Together.

STRATEGIC PLANNING PROCESS TIMELINE



EXECUTIVE SUMMARY

Overview Of The Gulf Coast Region

The Gulf Coast region, particularly the greater Houston area, is one of the most dynamic and diverse economic hubs in the United States.¹ As the second-fastest growing metro area in the United States by population growth according to the U.S. Census in 2023², Houston benefits from a robust economy driven by key industries such as energy, healthcare, aerospace, manufacturing, technology, and shipping. The Port of Houston, one of the largest and busiest ports in the country, plays a critical role in the region's economy.

Despite the economic prosperity, the region faces significant workforce challenges. According to the National Skills Coalition, jobs that require education and training beyond a high school diploma but less than a four-year college degree make up a significant portion of the labor market. Specifically, they found that 52% of jobs fall into this category, but only 43% of workers have the necessary skills to fill them.³ Addressing this skills gap is essential for sustaining the region's economic growth and ensuring long-term prosperity.

Educational Attainment and Workforce Development

Educational attainment is a critical driver of regional prosperity. Research indicates that nearly 60% of a region's economic growth is driven by the education level of its population, particularly in terms of postsecondary degrees and certifications.⁴ According to the Georgetown University Center on Education and the Workforce, higher levels of educational attainment play a crucial role in economic growth and job preparedness. Their projections indicate that by 2031, 72% of jobs in the U.S. will require some form of postsecondary education, emphasizing the importance of these educational qualifications for workforce development and economic expansion.

Houston, however, ranks 40th among the top 100 metropolitan areas in terms of postsecondary attainment, with approximately 48% of adults in the metro area holding





a degree or credential (including associate degrees and other professional certifications). Additionally, it ranks 48th in the percentage of adults with a high school diploma or GED among the top 50 most populous metro areas.^{5,6,7} These statistics underscore the educational challenges Houston faces compared to other major U.S. metro areas, and highlight the need to improve education outcomes to better align with workforce demands and support the region's economic growth.

Houston is a majority-minority city, with Hispanics or Latinos making up 44.5% of the population, making them the largest demographic group according to the U.S. Census. Targeted educational strategies are essential, as only 25 percent of Hispanic residents have completed some postsecondary coursework or a two-year degree, which is lower than other groups.⁸ Many students and low-wage workers from various backgrounds face barriers such as part-time employment and erratic work schedules, hindering their ability to participate in education and training programs. Engaging employers in improving job quality alongside workforce skills and career advancement is crucial for the entire region.

Georgetown 2023 Report Insights

The Georgetown University Center for Education and the Workforce projects a transformative shift in the U.S. labor market by 2031, emphasizing the growing importance of postsecondary education.⁴ It estimates that 72 percent of jobs will require some level of postsecondary education or training, up from 60 percent in 2014, with 42 percent requiring at least a bachelor's degree. This shift reflects the transition from an industrial to a service economy, further amplified by technology integration such as AI and robotics, which demand continuous upskilling.

The Texas labor market aligns with this national trend, according to the report, expecting 1,683,000 annual job openings through 2031, predominantly for those with postsecondary credentials.⁹ Texas is projected to rank 34th nationally for jobs requiring a bachelor's degree by 2031 and 10th for jobs requiring only a high school diploma or less, highlighting the state's growing demand for a workforce with advanced educational credentials.

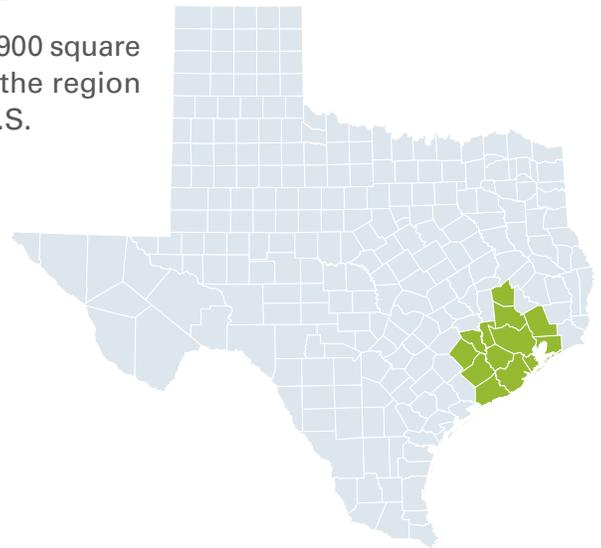


The Texas Gulf Coast Region

The Gulf Coast Region, encompassing 13 counties over 13,900 square miles, is a wellspring of opportunity for its residents.⁵ If the region were its own state, it would be the 42nd largest in the U.S.

The counties include:

1. Harris
2. Fort Bend
3. Montgomery
4. Brazoria
5. Galveston
6. Liberty
7. Waller
8. Chambers
9. Austin
10. Wharton
11. Matagorda
12. Colorado
13. Walker



Houston, the most diverse city in the United States, reflects the region's demographic richness. Home to over 145 different nationalities, numerous cultural communities, and dozens of consulates and embassies, the area's population represents a wide range of ethnicities, cultures, and backgrounds, all contributing to its vibrant social and economic fabric.

Strategic Priorities and Solutions

The Gulf Coast Workforce Board (GCWB) is committed to addressing these challenges through innovative and collaborative approaches. Our strategic priorities include:

1. **Strengthening Workforce Solutions (WFS):** Improving the functionality and reach of WFS to better align job seekers with labor market demands.
2. **Promoting Educational Attainment:** Increasing local degree and postsecondary certificate completions to build a skilled workforce that supports regional economic vitality.

- 3. Fostering Strategic Partnerships:** Building stronger relationships with secondary and postsecondary institutions, businesses, and community organizations to create a cohesive and responsive workforce development ecosystem.
- 4. Innovative Service Delivery:** Reimagining career offices and service delivery to be more intuitive, responsive, and user-centered.

Commitment to Innovation and Collaboration

This plan marks a shift toward more innovative and engaging methods for interacting with customers, employers, and the community. This approach is particularly important in the context of digital disruption, which is reshaping job markets and skill requirements. By adopting digital tools, leveraging data analytics, enhancing our online presence, and offering virtual services, we expect this pivot to significantly enhance our visibility and impact in the region. Our success will be determined by our ability to anticipate the holistic needs of the region, the unique needs of each county, and the specific requirements of individuals, employers, and other stakeholders.

The Gulf Coast Workforce Board is dedicated to providing relevant, high-quality training and support that meets the needs of our diverse population. We are embracing a culture of innovation, not as a mere buzzword but as a fundamental principle guiding us in our mission to create a vibrant, inclusive economic future for all who live and work in the Gulf Coast region.

By adopting this methodology, we aim to reimagine our career offices and overall service delivery, focusing on creating more intuitive, responsive, and user-centered interactions. We will pursue new and creative ways to enhance offerings, expand awareness of opportunities, and create impactful partnerships in the community. These strategic partnerships ensure our efforts align with both current and future job market demands while also fulfilling our mission.

Supporting Employers and Building a Talent Pool

A key strategy is to support employers by developing a strong talent pool. Regional prosperity is directly linked to the percentage of the population with postsecondary degrees or credentials. As we are concerned with the economic vitality of our region, its competitiveness, and helping employers fill their talent needs, we are keenly invested in training that workforce.

We will continue to remove barriers to training by streamlining processes and ensuring accessibility. Through partnerships with employers, we aim to make training programs more relevant and accessible.

We will also utilize “crosswalks” that map and align various job roles, skills, qualifications, and educational programs across different industries and sectors. These crosswalks are essential for helping individuals transition between different careers, understand the skills

required for various occupations, and identify educational pathways that lead to specific job opportunities.

Looking Ahead

The strategic plan is intended to be a flexible framework, designed to adapt to changing environments and the evolving needs of the region and its workforce. As we move forward with its implementation, we pledge to elevate our approach to supporting employers and job seekers by focusing on developing the skills needed for tomorrow's jobs. Together we can drive the growth, progress, and prosperity of the Gulf Coast region. Our collective efforts will lead to success and make a lasting impact.

In essence, we are embarking on a journey of innovation, connection, and impact. The Gulf Coast Workforce Board is poised to be a catalyst for the region's economic growth and development, ensuring a vibrant future for all residents.

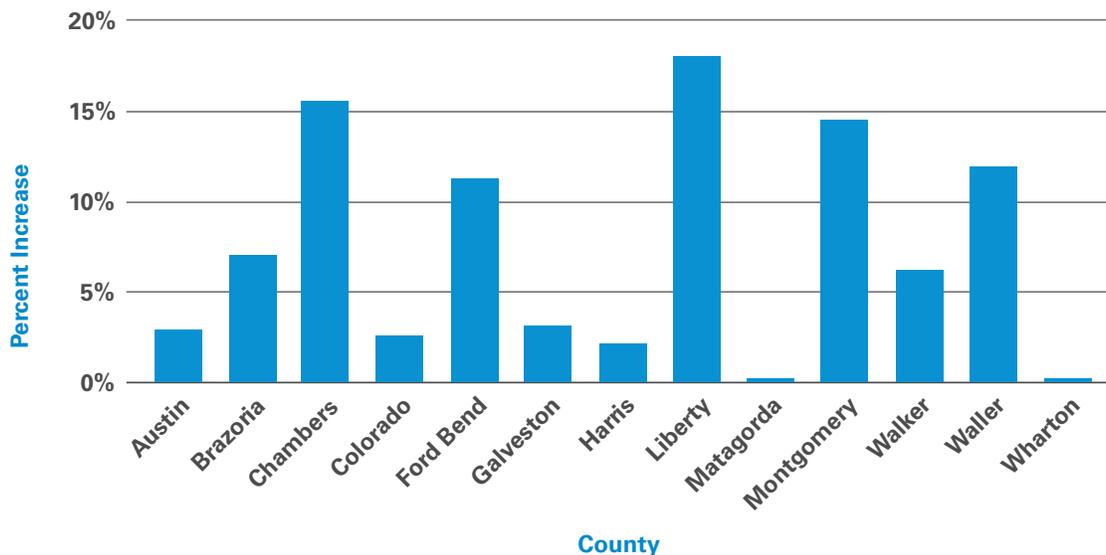
THE GULF COAST REGIONAL ECONOMY

The Gulf Coast region of Texas is one of twelve economic regions defined by the Texas Comptroller’s office and is composed of thirteen counties: Austin, Brazoria, Chambers, Colorado, Fort Bend, Galveston, Harris, Liberty, Matagorda, Montgomery, Walker, Waller, and Wharton. Together these counties span over 13,900 square miles, and as of 2023, have a population of over 7.6 million people. The region is characterized by diverse landscapes and a robust economy, driven by key industries such as energy, healthcare, manufacturing, and construction, and is one of the most economically dynamic areas in the state.

Population Growth and Demographics

Texas, known for its relatively low cost of living and abundant economic opportunities, has consistently attracted people from across the United States. The Gulf Coast region has experienced significant population growth, with Houston ranking among the top ten U.S. cities for population increases between 2021 and 2023.¹⁰ From April 2020 to July 2023, Texas saw a population increase of approximately 4.6 percent, adding over one million new residents. The Gulf Coast’s nearly 5 percent growth rate reflects this trend, underscoring the region’s appeal.

**Estimated Population Increase between
April 2020 - July 2023**





The median age in the Gulf Coast Region is 35.1, indicating a young and dynamic workforce. This younger demographic is well-positioned to adapt to new technologies and drive innovation which are essential for the region's continued economic growth.

Immigration has been a major factor in the Gulf Coast region's population growth. The region has historically attracted a significant number of immigrants, contributing to its cultural diversity and economic dynamism. The Kinder Institute at Rice University projections indicate that the Hispanic population will make up nearly half of the Houston area's population by 2030.¹¹ This growth is part of a broader trend in Texas, where immigrants play a crucial role in the labor market, particularly in sectors like construction, agriculture, and service industries.

Economic Recovery and Employment Trends

The COVID-19 pandemic led to a significant rise in unemployment across the Houston metro area, peaking at 13.9 percent due to widespread business closures and disruptions in key sectors like hospitality, retail, and energy.¹² The region has been recovering, however, with the Gulf Coast's unemployment rate standing at 3.8 percent as of April 2024.¹³ This is slightly above the state and national averages, reflecting some unique regional challenges in employment.

From March 2023 to March 2024, total nonfarm employment in Texas increased by 71,900 jobs, a growth rate of 2 percent. The region's economic recovery is ongoing, with continued efforts to return to pre-pandemic employment levels.¹⁴

Key Industries and Business Environment

The Gulf Coast region is a major contributor to the Texas economy, accounting for 26.7 percent of the state's Gross Domestic Product (GDP), and totaling \$642.1 billion in actual dollars in 2022. Houston, known as the "Energy Capital of the World," is a hub for the oil and gas industry and headquarters for major companies such as ExxonMobil, Chevron, and Shell, as well as the Port of Houston. The port, one of the busiest in the United States, generates over \$439 billion in economic value for Texas, supporting millions of jobs.¹⁵

The region also boasts strong Healthcare, Manufacturing, and Construction sectors. In 2023, the Education and Health Services sector accounted for approximately 22.9 percent of employment, while Construction and Manufacturing comprised 14 percent. According to the Greater Houston Partnership, Houston's status is home to 24 Fortune 500 companies, further underscoring the area's robust business environment, supported by Texas's business-friendly policies, including low taxes and minimal regulatory burdens.





Challenges and Opportunities

Despite its economic strengths, the Gulf Coast region faces several challenges. One notable issue is the region's below-average literacy rates, which can hinder workforce development and limit employment opportunities. Data from the National Center for Education Statistics (NCES)¹⁶ and local literacy organizations indicates that the Gulf Coast region, including the Houston metro area, has a higher percentage of adults with low literacy skills compared to national averages. For instance, approximately 20-25% of adults in the Houston area function at the lowest levels of literacy, meaning they may struggle with tasks such as reading a prescription label or filling out a job application.¹⁷ While the region has numerous educational institutions, including public and private universities, community colleges, and technical schools, addressing recent declines in higher education enrollment will be crucial for developing a skilled workforce.

Another challenge is the significant number of uninsured residents in Texas. The expiration of certain COVID-19 policies, specifically the unwinding of Public Health Emergency (PHE) funding, led to over 2 million people across the state losing Medicaid coverage, potentially resulting in job losses and economic impacts.¹⁸ This lack of insurance can hinder job mobility and entrepreneurship, adding to the region's economic challenges.

Transportation infrastructure is also a critical issue. Improved public transportation is needed to enhance access to jobs, training, and daily commutes, benefiting both employees and businesses by improving retention and operational efficiency.

Future Economic Outlook

The Gulf Coast region is well-positioned for continued economic growth, particularly in traditional and renewable energy sectors. Developing industries such as oil, natural gas, wind, and solar energy is vital for meeting Texas's growing energy demands. The economic outlook for the region is positive, with real gross product expected to grow by 3.38 percent in the coming year. Employment is projected to increase by nearly 88,300 new positions through 2024, driven by sectors such as professional and business services, and health and social services.¹⁹

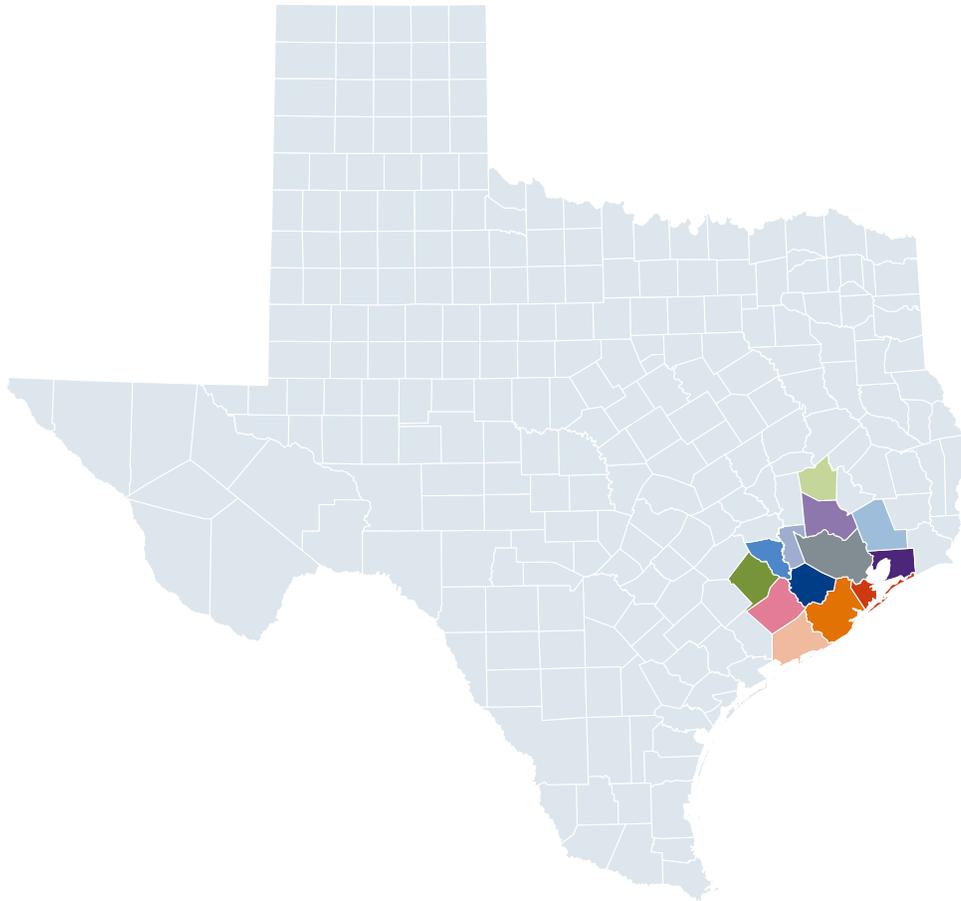
Globally, economic projections are favorable, with the International Monetary Fund forecasting a 3.2 percent growth in the world economy for 2024, up from previous estimates.²⁰ Similarly, the World Trade Organization predicts a 3.3 percent growth in merchandise trade.²¹ These global trends are promising for the Gulf Coast region, which is deeply integrated into the international economy.

Conclusion

The Gulf Coast region of Texas stands as a crucial economic engine for the state characterized by rapid population growth, a young workforce, and a diverse industrial base. While challenges like lower literacy levels, healthcare access, and transportation infrastructure persist, the region's economic prospects remain strong. With continued investment in key sectors and infrastructure, the Gulf Coast is poised to sustain its growth trajectory and reinforce its status as a major economic powerhouse.



13-COUNTY GULF COAST REGION FACTS^{22, 23}



Austin County

- Major Cities: Sealy, Bellville, Wallis
- Major industries
 - Construction
 - Manufacturing
 - Agriculture
- Population: 31,677 in July 2023
- Unemployment: 4.0% in June 2024

Brazoria County

- Major Cities: Pearland, Alvin, Lake Jackson, Angleton, Freeport
- Major industries
 - Petrochemical (one of the largest complexes globally, including Dow Chemical)
 - Construction
 - Manufacturing
 - Healthcare: Kelsey-Seybold, UTMB Health
 - Agriculture: Cattle, Hay, Rice, Soybeans, et. al. with an annual output of \$118.2 mm

- Skilled labor force of nearly 200,000 workers
- Population: 398,938 in July 2023
- Unemployment rate: 4.9% in June 2024

Chambers County

- Major Cities: Mont Belvieu, (portion of) Baytown, Beach City, Annahuac
- Major industries
 - Petrochemical Manufacturing, including Enterprise Products Partners
 - Energy: NRG Energy’s 1.6GW natural gas generation & Air Liquide’s \$850 mm investment in Exxon Mobil’s hydrogen & ammonia plant
 - Construction & Manufacturing employs more than 11,500 workers
 - Logistics & Transportation
- Population: 53,876 in July 2023
- Unemployment rate: 5.9% in June 2024

Colorado County

- Major Cities: Columbus, Eagle Lake, Weimar
- Major industries
 - Manufacturing
 - Education, Healthcare & Social Assistance
 - Retail Trade
- Population: 21,117 in July 2023
- Unemployment rate: 3.8% in June 2024

Fort Bend County

- Major Cities: Sugar Land, Missouri City, (portion of) Katy, Rosenberg, Richmond, Stafford, Fulshear
- Major industries
 - Healthcare & Biotechnology
 - Energy
 - Advanced Manufacturing: Growth in AM includes the production of high-tech equipment & components.
 - Logistics and Supply Chain: The county’s strategic location near major transportation hubs makes it an attractive area for logistics & supply chain operations (Amazon & FedEx have established significant operations)
 - Research & Development: strong emphasis on research & development, including technology and bio-technology.
- 2023 population: 916,778
- 2024 unemployment rate: 4.6%

Galveston County

- Major Cities: Galveston, (portion of) League City, Texas City
- Major industries
 - Maritime
 - Petrochemical
 - Tourism
 - Healthcare
- Population: 361,744 in July 2023
- Unemployment rate: 4.7% in June 2024

Harris County

- Major Cities: Houston, Pasadena, Baytown
- Major industries
 - Energy
 - Advanced Manufacturing
 - Aerospace & Aviation
 - Healthcare and Life Sciences, including bio-technology
 - Distribution & Logistics
- Population: 4,835,125 in July 2023
- Unemployment rate: 4.8% June 2024

Liberty County

- Major Cities: Dayton, Cleveland, Liberty
- Major industries
 - Healthcare & Social Assistance
 - Manufacturing
 - Educational Services
- Population: 108,272 in July 2023
- Unemployment rate: 6.3% June 2024

Matagorda County

- Major Cities: Bay City, Palacios
- Major industries
 - Energy & Manufacturing: The South Texas Project nuclear energy facility, Tenaris Bay City facility, and Air Liquide.
 - Agriculture & Aquaculture
 - Chemical & Plastics Manufacturing: OQ Chemicals and Rohm methacrylate plant
 - Renewable Energy: E-on (Wind farms)

- Population: 36,359 in July 2023
- Unemployment rate: 6.3% June 2024

Montgomery County

- Major Cities: Conroe, Willis, Shenandoah, The Woodlands
- Major industries (County)
 - Oil and Gas: Baker Hughes, Tetra Technologies, et. al.
 - Chemical Manufacturing: Huntsman Company & Chevron Phillips.
 - Healthcare: St. Luke's Medical Center, U.S. Oncology Holdings, et. al.
 - Education: Lone Star College System, Conroe ISD
- Major industries (The Woodlands)
 - Healthcare: Memorial Hermann, Houston Methodist, Texas Children's Hospital
 - Energy: ExxonMobil, Occidental Petroleum, Entergy Texas, Chevron Phillips
- Population: 711,354 July 2023
- Unemployment rate: 4.5% in June 2024

Walker County

- Major Cities: Huntsville, New Waverly
- Major industries
 - Texas Department of Criminal Justice is the largest employer
 - Education: Sam Houston State University; Huntsville ISD
 - Retail: Wal-Mart and H-E-B
 - Oilfield Services: Weatherford International

- Population: 81,268 in July 2023
- Unemployment rate: 5.4% June 2024

Waller County

- Major Cities: Prairie View, Hempstead, Brookshire
- Major industries
 - Manufacturing: The Daikin Texas Technology Park (8,500 employees), Grundfos, and Man Energy Solutions
 - Education: Prairie View A&M University is a major economic driver, contributing over \$235 mm annually
- Population: 63,553 in July 2023
- Unemployment rate: 5.6% June 2024

Wharton County

- Major Cities: El Campo, Wharton, East Bernard
- Major industries
 - Agriculture
 - Oil & Gas
 - Manufacturing
 - Energy: The Prairie Switch Wind Energy Project & other energy generation
- Population: 41,739 in July 2023
- Unemployment rate: 4.3% June 2024



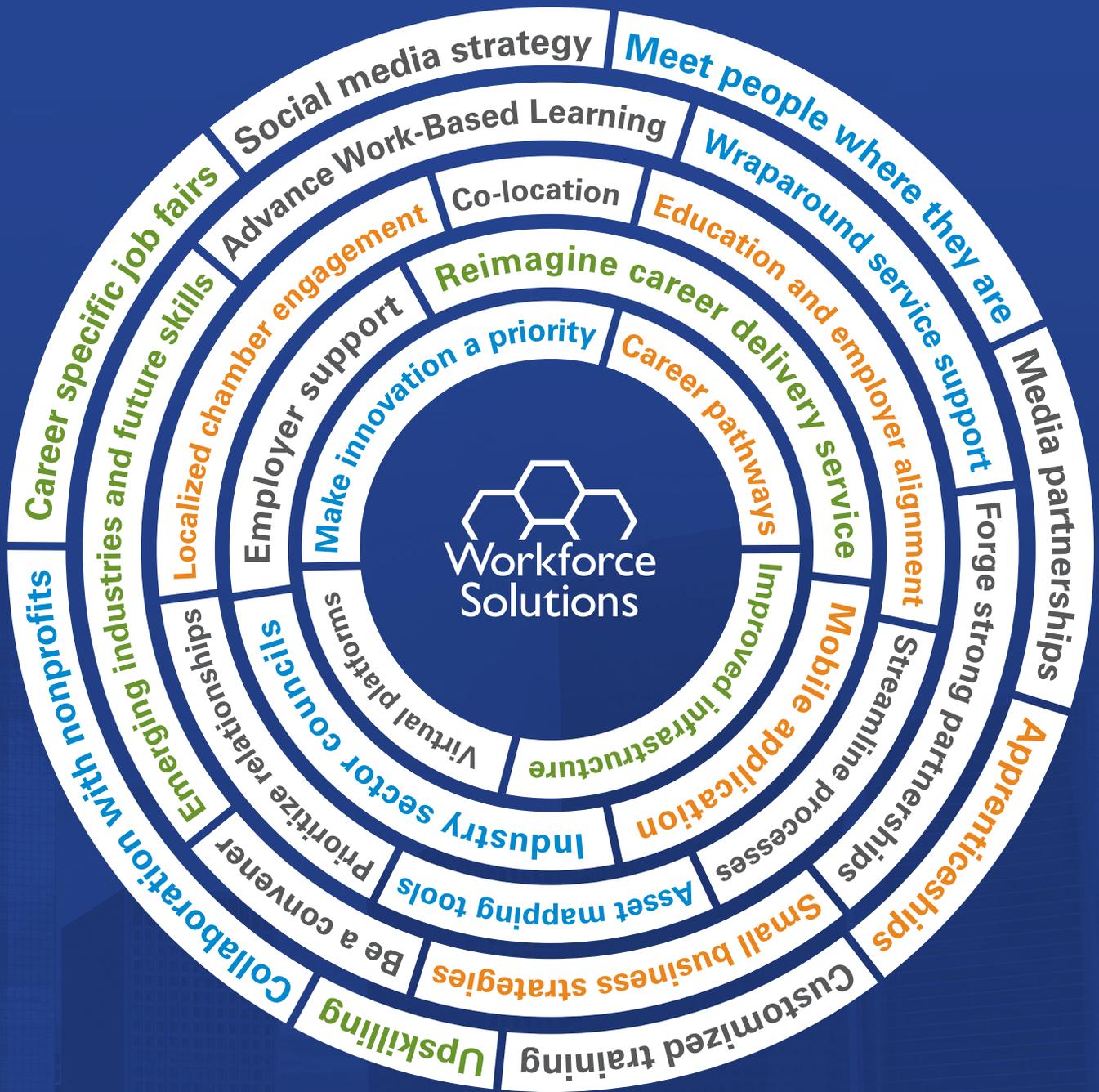
THE WAY FORWARD

FOUR STRATEGIC GOALS



INNOVATE

CONNECT



THRIVE

INTERCONNECTED STRATEGIES



PLAN INTRODUCTION

The Gulf Coast Workforce Board (GCWB) is dedicated to fostering a cohesive vision for workforce development across the 13-county region – a vast area characterized by enormous diversity. Recognizing the Gulf Coast Workforce Board’s significant role in creating and convening a regional network, this new five-year strategic plan aims to address common concerns and leverage collective efforts. It will allow us to strengthen communities, support businesses, assist job seekers, and engage partners in a collective vision for regional prosperity.

The plan represents a significant shift from a compliance-based approach to one that emphasizes engagement, tangible results, and long-term impact. It introduces new and refined strategies, including subregional approaches and expanded use of technology, to foster innovation and effectiveness. At its core, however, it speaks to the transformative power of connection, and underscores the importance of:

- Implementing effective engagement and interaction methods
- Increasing visibility and impact across the region
- Building durable, trust-based relationships
- Valuing collaboration and partnership

The four goals outlined in this plan provide a framework for the Gulf Coast Workforce Board's work and its collaboration with regional partners. Each goal is accompanied by rationale, strategies, and expected outcomes that serve as a roadmap for implementation, ensuring that we can achieve impact through cohesive and effective efforts. Four overarching goals have been identified:

1. Support Business-Forward Strategies to Fuel the Regional Economy
2. Serve as a Convener and Forge Strategic Partnerships
3. Increase Awareness of Services and Opportunities
4. Improve Service Delivery Utilizing Technology and Innovative Solutions

The strategies for achieving these goals are intentionally designed to be interconnected, creating a unified approach that maximizes impact and drives sustainable progress. They are also designed to clearly communicate our objectives while incorporating the mission, vision, and values of the Gulf Coast Workforce Board.



"We are committed to driving impactful results and building a brighter future for all those who live and work in the Gulf Coast region."

—**Juliet Stipeche** Executive Director

Goal 1:

SUPPORT BUSINESS-FORWARD STRATEGIES TO FUEL THE REGIONAL ECONOMY

Rationale: The Gulf Coast region is home to key industries including energy, construction, manufacturing, and healthcare, as well as high-skill sectors like aerospace, life sciences, biotechnology, and digital technology. Emerging industries such as advanced air mobility and hydrogen are poised for future growth. By supporting business-forward strategies, the Gulf Coast Workforce Board aims to align workforce development initiatives with the needs of these industries, ensuring a competitive and vibrant business environment.

Career Pathways

Access to career pathways information is crucial for middle- and high-school students, as the decisions they make at this age can significantly impact their future opportunities. Stakeholders universally agree on the importance of raising awareness about potential career paths and providing necessary resources to help students navigate their options.

According to a recent national survey of high-school students, 78 percent believe it is important to determine career plans before graduating high school, but only 13 percent felt the resources they have received have prepared them to decide what to do after graduation. These findings demonstrate a clear need for improved guidance.

Career pathways are essential because they provide structured routes for students to transition from education to meaningful employment. Early and sustained career information and advising help individuals make informed decisions about their educational and career trajectories. Developing clear career pathways, where youth can progress within a chosen industry, requires coordinated involvement from major employers, an awareness of the benefits of increased education and experience, and a focus on careers that offer family-supporting wages.

While labor market information can guide the development of these pathways, it is crucial to include all career paths leading to family-supporting wages, not just those in industries with large projected job openings. A comprehensive approach ensures diverse career opportunities are accessible, supporting a broader range of individuals in achieving economic stability and growth.

This approach is also important to individuals facing employment barriers, such as those with disabilities, criminal records, or those reentering the workforce later in life. For those already in the workforce, they provide structured opportunities for advancement and skill development. They help employees navigate their career growth within an organization or industry, enhancing their qualifications and opening doors to higher positions and better pay. Additionally, career pathways offer a clear roadmap for professional development, increasing job satisfaction and retention.

Career pathways also offer significant advantages to employers. By aligning education and training with industry needs, employers gain access to a skilled workforce that is better prepared and more productive. As a result, companies spend less time and fewer resources spent on training new hires and increases productivity and retention.

The overarching importance of career pathways lies in their ability to bridge the gap between education and employment, providing clear, structured routes for upward mobility. By promoting and developing these pathways, we can help students and job seekers understand the long-term benefits of their career choices, create opportunities for advancement, and build a more skilled and resilient workforce.

Strategies:

Develop Career Pathways:

- Partner with key industries to create clear career pathways, ensuring alignment with sector-specific needs.
- Promote programs in high-demand sectors such as energy, construction, manufacturing, and healthcare, as well as emerging fields such as advanced air mobility and hydrogen.

Implement Sector-Based Strategies:

- Form and convene industry sector councils to tailor strategies for each sector, enhancing the relevance and impact of workforce initiatives.
- Establish industry-specific career centers and job fairs to facilitate direct engagement between job seekers and employers.
- Form localized engagement with Chambers of Commerce, including dedicated liaisons and tailored programs to address subregional needs.

Role of Small and Medium-Sized Employers

Small and medium-sized businesses (SMEs) are a vital part of the Gulf Coast region's economy and workforce development system, accounting for nearly 90 percent of employers in the region. They provide jobs to nearly half of the area's workforce, playing a key role in regional industries such as:



- **Energy and Petrochemicals:** Supporting the supply chain with specialized services and manufacturing components.
- **Healthcare:** Providing essential healthcare services, especially in underserved areas.
- **Construction:** Contributing to the growth and maintenance of infrastructure.
- **Retail and Hospitality:** Enhancing the local economy by catering to both residents and tourists.

Over the past decade, SMEs have also been responsible for creating a significant percentage of new jobs, particularly in sectors like healthcare, retail, and construction. They contribute to over 40% of the Gulf Coast region's GDP, underscoring their importance to the local economy.

SMEs in the region face challenges in attracting and retaining skilled workers, however, particularly in high-demand fields such as healthcare and technology. The Gulf Coast Workforce Board offers several programs specifically designed to support SMEs, such as the Skills Development Fund, which provides grants to train new and existing employees, and are tailored to meet the needs of the regional labor market.



Advance Work-Based Learning (WBL) Initiatives:

- Invest in and expand pre-apprenticeship, apprenticeship, internship, and on-the-job training programs to develop a skilled workforce ready to meet industry demands.

Prioritize Relationships:

- Engage in continuous communication with local chambers, businesses, and industries to build strong partnerships that support employer needs.

Expected Outcomes

- Increased alignment between workforce skills and industry needs.
- Enhanced job placement rates and career progression opportunities.
- Stronger partnerships between employers and the workforce development system.
- Growth in number of internships, apprenticeships, and other Work-Based Learning programs.



Goal 2:

SERVE AS A CONVENER AND FORGE STRATEGIC PARTNERSHIPS

Rationale: Creating a collaborative ecosystem where stakeholders work together is crucial to addressing workforce challenges and seizing opportunities. By serving as a convener, the Gulf Coast Workforce Board can facilitate partnerships that leverage resources, share best practices, and align efforts towards common goals.

Strategies:

Create Structured Forums:

- Establish industry sector councils and roundtable discussions to address skills gaps and other critical issues.
- Host events focused on emerging industries and future skills requirements to stay ahead of market trends.

Connect Education and Employers:

- Foster partnerships between educational institutions and employers to ensure that curricula and training programs meet the evolving needs of the workforce.
- Collaborate with community organizations to provide comprehensive support services, leveraging existing resources for maximum impact.

Conduct Workshops and Webinars:

- Offer educational sessions for job seekers and students on career pathways, skills development, and job search strategies, ensuring they have the tools needed to succeed.

Expected Outcomes

- Enhanced collaboration among workforce stakeholders.
- Better alignment of educational programs with industry needs.
- Improved support services for job seekers and students, leading to higher employment rates.



Industry Sector Partnerships

Industry sector partnerships with workforce boards are an important tool in creating a strong, adaptable workforce that meets the evolving needs of businesses and the economy. By focusing on sector-specific needs, these partnerships can align training programs with industry demands, ensuring that workers acquire relevant skills and employers have the talent they need.

Industry sector partnerships are supported by data-driven decision-making. The Gulf Coast Workforce Board conducts labor market analyses to understand the current and projected needs of various sectors in the region. This data helps identify high-demand occupations and skills shortages. By leveraging real-time labor market information, these partnerships can be more responsive and adaptive, ensuring that training programs remain relevant as industry needs evolve.

Sector partnerships with the workforce board represent a collaborative approach to workforce development that benefits both employers and job seekers. By aligning education and training with industry needs, these partnerships help create a pipeline of skilled workers who are prepared to meet the demands of the regional economy. Such efforts not only enhance the competitiveness of businesses but also provides individuals with opportunities for meaningful and sustainable employment.

Goal 3:

INCREASE AWARENESS OF SERVICES AND OPPORTUNITIES

Rationale: Increasing the visibility and accessibility of workforce services is essential to engaging job seekers, students and employers. By raising awareness, the Gulf Coast Workforce Board can ensure that more individuals and businesses benefit from the available resources and support.



Strategies:

Develop a Social Media Content Strategy:

- Increase the frequency and reach of social media posts, utilizing videos and visual aids to engage a broader audience.

Develop a Mobile App:

- Create tailored, accessible content for job seekers and employers, ensuring relevant and useful information about programs and services is readily available.

Adopt a Community-Centric Approach:

- Establish co-location sites in libraries, community centers, and campuses to increase accessibility to workforce services.

Bolster Media Partnerships:

- Expand outreach efforts, ensuring that more individuals and businesses are aware of available resources.

Employment Projections: According to the U.S. Bureau of Labor Statistics, employment in healthcare occupations is projected to grow 13 percent between 2021 and 2031, much faster than the average for all occupations, adding about 2 million new jobs. This highlights the importance of sector partnerships in addressing the workforce needs of rapidly growing industries like healthcare.



Employer Involvement: The 2022 Employer Survey by the National Association of Workforce Boards found that 75 percent of employers involved in sector partnerships reported improved access to skilled workers and enhanced workforce retention, demonstrating the effectiveness of business engagement in these initiatives.

Expected Outcomes

- Greater awareness and utilization of workforce services.
- Enhanced engagement with the community, leading to better service delivery.
- Increased job placements and improved employer satisfaction.

Skills Gap: A report from the National Skills Coalition (2023) indicates that middle-skill jobs, which require education beyond high school but not a four-year degree, make up 53 percent of the U.S. labor market, yet only 43 percent of workers are trained to the middle-skill level. This mismatch underscores the need for targeted training and upskilling programs across all industries.

Educational Collaborations: According to a 2023 survey by the American Association of Community Colleges¹⁸, 68 percent of community colleges reported that partnerships with workforce boards and local industries led to the creation of new, industry-relevant programs. These collaborations have been pivotal in adapting curricula to meet evolving industry needs.



Goal 4:

IMPROVE SERVICE DELIVERY UTILIZING TECHNOLOGY AND INNOVATIVE SOLUTIONS

Rationale: To remain responsive and effective, the Gulf Coast Workforce Board must leverage advanced technologies and innovative solutions. By improving service delivery, the Board can better meet the needs of job seekers and employers in an ever-changing economic landscape.



Strategies:

Reimagine Career Delivery Services:

- Integrate co-location and mobile app solutions to provide more flexible and accessible services.
- Prioritize innovation through the use of virtual reality training, AI-driven tools, and other cutting-edge technologies.

Realign Staffing Structures to Enhance Service Delivery:

- Evaluate current staffing roles and responsibilities to identify areas for improvement.
- Implement new staffing models that leverage technology and increase efficiency in service delivery.

Integrate an Asset Mapping Tool:

- Develop an interactive digital platform to manage and optimize the use of workforce resources and assist job seekers locate services and opportunities.

Bolster Infrastructure:

- Upgrade hardware and software to support streamlined administrative processes.

Streamline Administrative Processes:

- Identify and ameliorate inefficiencies to enhance overall service delivery.

Expected Outcomes:

- Increased efficiency and effectiveness of workforce services.
- Higher satisfaction rates among job seekers and employers.
- Greater adaptability to changing workforce needs and market conditions.
- Improved access to and utilization of workforce resources.
- Increased community engagement.

Asset Mapping as a Strategic Tool

Asset mapping catalogs and allows for a visual representation of the resources to enhance workforce development efforts. By mapping community organizations, support services, career centers, training providers, and postsecondary institutions across the Gulf Coast region, we can create a dynamic tool that supports our strategic goals and meets the evolving needs of the community and industries, and manage and optimize the use of workforce resources, ensuring efficient service delivery.



Geographic Mapping for Career Offices: Career offices can leverage the asset map to recommend training providers and institutions that are geographically convenient for job seekers. This minimizes travel barriers and makes it easier for individuals to access necessary resources.

Targeted Community Services: Community organizations can use the map to deploy services in areas with high concentrations of job seekers but low availability of support services.

Strategic Partnerships: The asset map facilitates the identification of potential partnerships between service providers. For instance, a community organization specializing in job training could collaborate with a nearby postsecondary institution to provide comprehensive support services.

Efficient Resource Distribution: By visualizing resource distribution, organizations can identify gaps and areas of duplication, ensuring efficient allocation of resources and focusing efforts on underserved areas.

Community Engagement and Outreach: The map can guide community engagement strategies, allowing the workforce board to tailor outreach efforts to meet the specific needs of different segments.

By leveraging this tool, we can better align resources with community needs, foster strategic collaborations, and improve service delivery for job seekers across the vast Gulf Coast region.

JOU MAP

Worker Journey



Alex, a high school senior who is unsure about his future after graduation. During a career day at his school, Alex learns about Workforce Solutions from a passionate speaker who explains the various career paths and support services available. Intrigued and excited, Alex decides to attend an information session hosted by Workforce Solutions, where he discovers numerous opportunities tailored to his interests and skills.

WFS

- Career pathways
- In-person support at career offices
- Virtual engagement options
- Resources mapping
- How-to workshops
- Immersive community experiences



Encouraged by the support and resources offered by Workforce Solutions, Alex begins to explore different career options. He enrolls in career exploration programs and meets with career counselors who help him identify his strengths and interests. Alex decides to pursue a training program that aligns with his passion for technology. He participates in resume-building workshops and gains valuable interview skills, feeling more confident about his future.

WFS

- Career counseling
- Training programs
- Job seeker services
- Resume assistance
- Financial aid opportunities

Employer Journey

Awareness and Engagement



Sophia, the CEO of GreenStream Energy, a rapidly growing company in the renewable energy sector, is struggling to find employees with the specialized skills needed to support their innovative projects. During an industry convening, she hears about the comprehensive services offered by Workforce Solutions. Intrigued by the potential to address their workforce challenges, she engages with Workforce Solutions, providing input on their specific talent needs and learning about the programs available to help bridge the skill gap in this emerging industry.

WFS

- Industry convenings
- Sector-based partnerships
- Dedicated WFS liaisons
- Veterans services

Preparation and Planning



GreenStream collaborates with Workforce Solutions to develop a targeted training program tailored to the renewable energy sector. This program includes partnerships with local technical schools and universities to create a curriculum that covers the latest technologies and methodologies in renewable energy. Workforce Solutions also assists in designing internships and apprenticeships to provide hands-on experience for workers. With these plans in place, GreenStream is better positioned to attract and train a workforce that meets their high-tech needs.

WFS

- Apprenticeships, internships, and OJT
- Needs assessments
- Training programs
- Employer and education partnerships



With new skills and a clear career plan, Alex actively seeks internship and job opportunities. He uses Workforce Solutions job matching services and attends job fairs organized by the organization. Through these efforts, Alex secures an internship at a biotech company, gaining hands-on experience and further refining his skills. His proactive approach, supported by Workforce Solutions, helps him build a strong foundation for his career.

WFS

- Job matching
- Job fairs
- Job listings
- Resume assistance
- Work-based learning opportunities



Alex's internship turns into a full-time job after graduation. The support from Workforce Solutions continues as he receives career coaching and learns about upskilling opportunities to accelerate his career path. Armed with new skills, Alex's job transforms into a fulfilling career as he assumes more responsibilities and grows within the company. His journey from an uncertain high school senior to a successful professional exemplifies the long-term impact of strategic workforce development programs and services, and he encourages others to utilize the resources offered by Workforce Solutions.

WFS

- Training and upskilling opportunities
- Child care assistance
- Labor market information
- Job listings
- Jobs development services
- Work-based learning opportunities

Active Pursuit

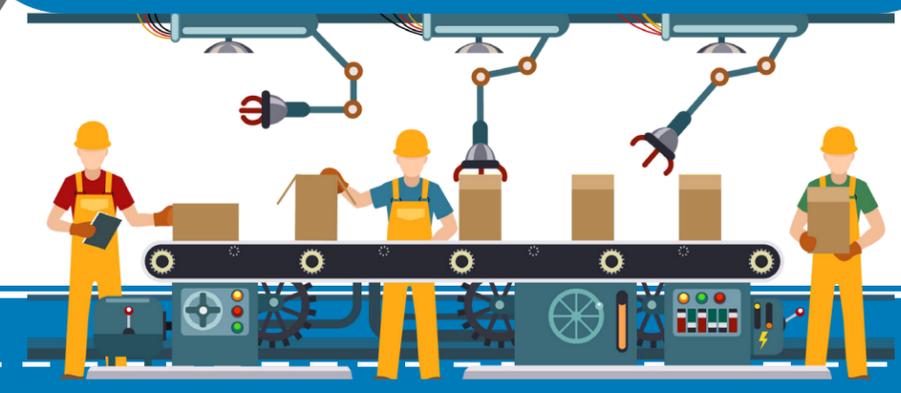


With the new training programs established, GreenStream actively participates in job fairs and networking events organized by Workforce Solutions. These events connect them with candidates who have completed the specialized training programs and GreenStream successfully recruits a number of talented individuals who are eager to contribute to the company's innovative projects.

WFS

- Job fairs
- Community events
- Career pathways development
- Job listings

Transformation and Growth



The new recruits quickly integrate into GreenStream, and their specialized training allows them to contribute effectively to the company's growth. The CEO sees a marked improvement in productivity and project outcomes, thanks to the well-prepared and skilled workforce. As GreenStream continues to grow, the collaboration with Workforce Solutions remains a cornerstone of their workforce strategy, and the sustained partnership with Workforce Solutions not only helps meet the company's talent needs but also supports the broader goal of advancing the renewable energy industry.

WFS

- Upskilling
- Industry councils
- Tailored programs
- Labor market information

**RNEY
PING**

APPENDICES

I. **SURVEYS AND SUMMARIES**



Frontline Staff Survey Summary

197 responses were received from frontline staff across the 28 workforce board career offices. The responses offered a comprehensive insight into the challenges faced by staff in delivering services to customers, the common obstacles encountered by job seekers, the effectiveness of current programs and services, and areas for improvement to enhance efficiency and impact.

Key Takeaways:

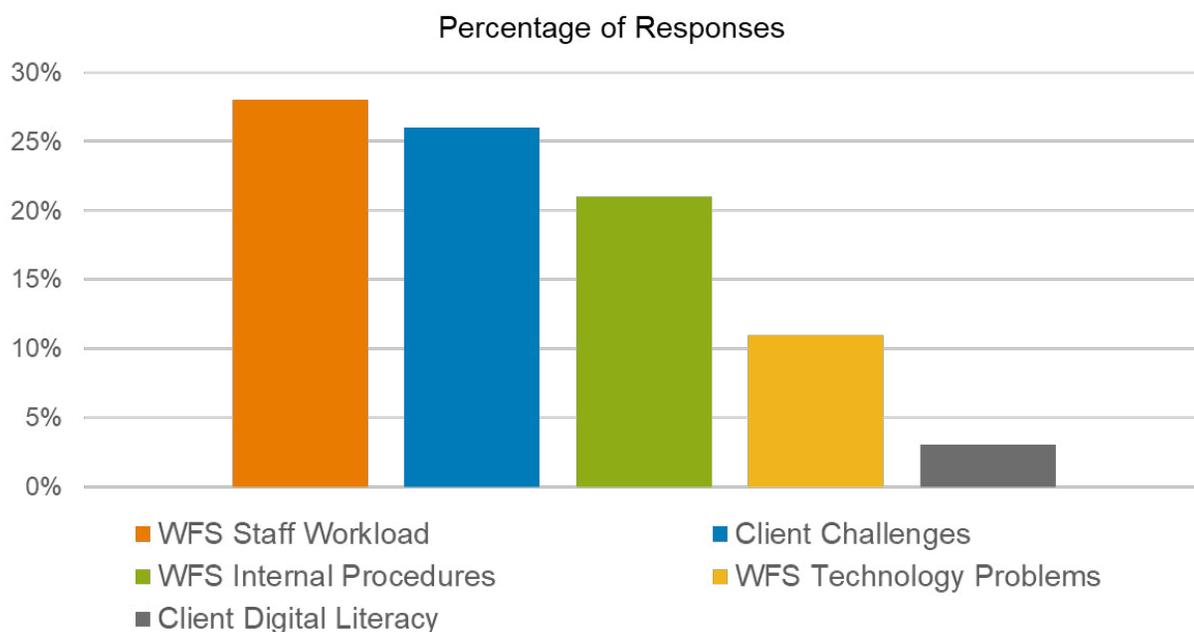
- **Challenges in Delivering Services to Customers:** Staff highlighted workload issues and time constraints as significant hurdles, impacting their ability to provide quality assistance within appointment times. Customer misconceptions and technology-related problems also impede service delivery. Moreover, constant changes in procedures and resource limitations further strain the process, hampering consistent service provision.
- **Challenges Job Seekers Face:** Job seekers encounter various obstacles, including transportation issues, pervasive lack of digital literacy, limited job options due to criminal backgrounds, and communication barriers. Unrealistic job expectations, coupled with discouragement from rejections, exacerbate the situation, particularly in rural areas with fewer opportunities.
- **Effective Programs and Services:** Certain programs have proven successful in aiding job seekers, such as work-based learning initiatives, scholarship opportunities, and support services addressing barriers to employment. Job search assistance and childcare support have also been instrumental in facilitating job placements and career advancement.

- **Gaps and inefficiencies :** Despite successes, many inefficiencies persist within the system, including computer system failures, long wait times for support services, and inadequate training for staff. These challenges hinder the seamless delivery of services and contribute to overloaded staff and reduced service quality.
- **Needed Technological Advances:** Improvements in technology infrastructure, streamlined processes, and enhanced training platforms are absolutely essential to optimize service delivery. Mobile capabilities and better communication tools would enable staff to reach more customers efficiently, as well as text messaging and PDF editing tools.
- **Partnerships for Increased Impact:** Collaboration with education providers, community organizations, and employers could expand outreach and provide specialized services to diverse populations. Strengthening relationships with transportation and housing assistance providers would address critical barriers to employment, as well as with health service providers.
- **Diversity, Equity, and Inclusion Integration:** Mostly perceived as effectively integrated, but room for improvement in supporting employees with disabilities. While the majority perceive diversity, equity, and inclusion as effectively integrated, there is always room for improvement, particularly in supporting employees with disabilities, including mobility, and ensuring equal access to services.
- **Feedback for Strategic Plan Development:** Staff emphasized the need for enhanced training and support, streamlined processes, and strengthening both employer relationships and community outreach. The expansion of specific programs catering to seniors, apprenticeships, and re-entry programs were also noted. Additionally, involving frontline staff in policy design and consulting for operational efficiency were recommended strategies for improving service quality and customer satisfaction, and for improving engagement and retention.

Conclusion

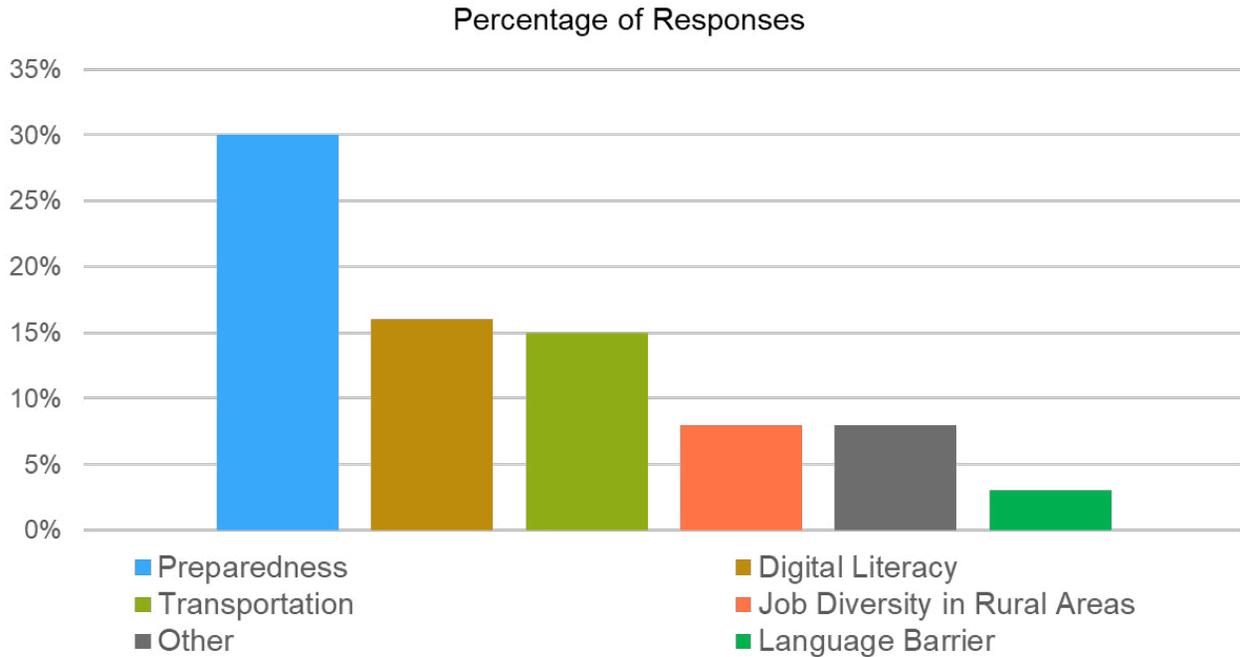
Addressing the identified challenges and implementing the suggested improvements will be pivotal in ensuring WFS remains effective in its mission to assist job seekers and provide quality services to customers.

What are the most significant challenges you face in delivering services to customers and how does it impact your work?



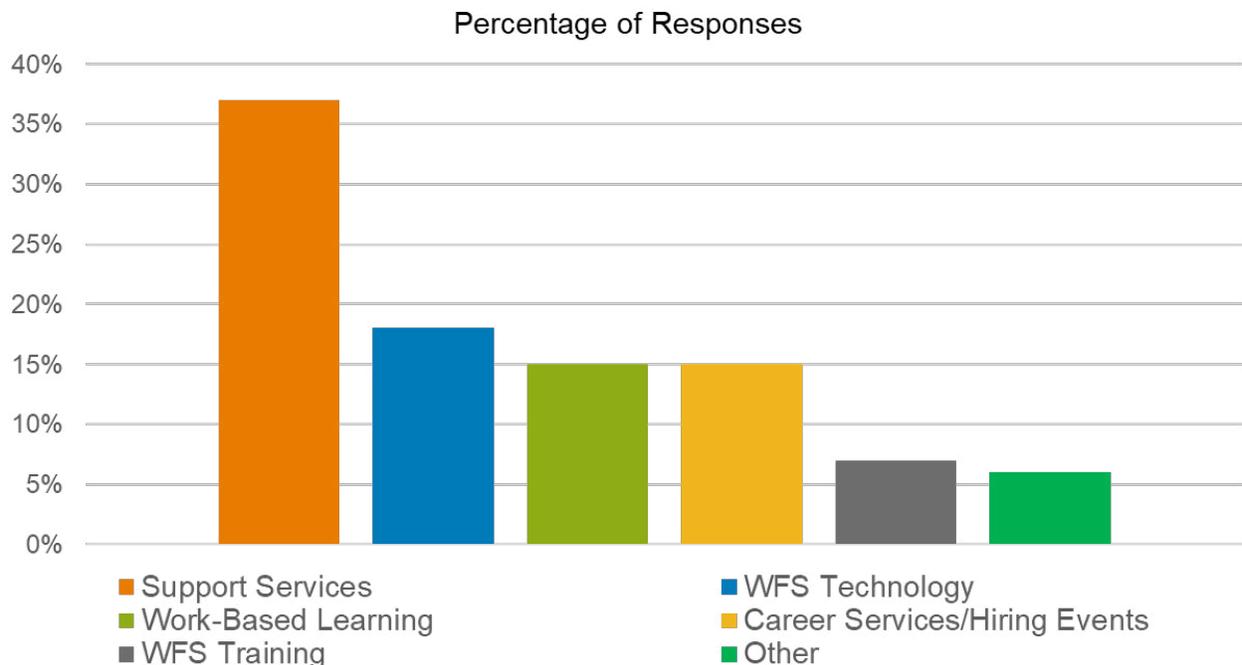
- Staff workload and lack of time is a major challenge, making it difficult to provide quality services. Too short appointment times repeatedly noted.
- Technology issues such as slow/unreliable computer systems and websites hinder productivity and timely delivery of services.
- **More staff training** and communication are needed when changes occur.
- Customers often lack understanding or have misinformation about programs.
- Constant changes to procedures, priorities, and expectations make it hard to keep up and provide consistent services.
- Processing delays due to bureaucracy, understaffing, and excessive documentation requirements hold up service delivery.

What are the challenges job seekers face that you encounter most often?



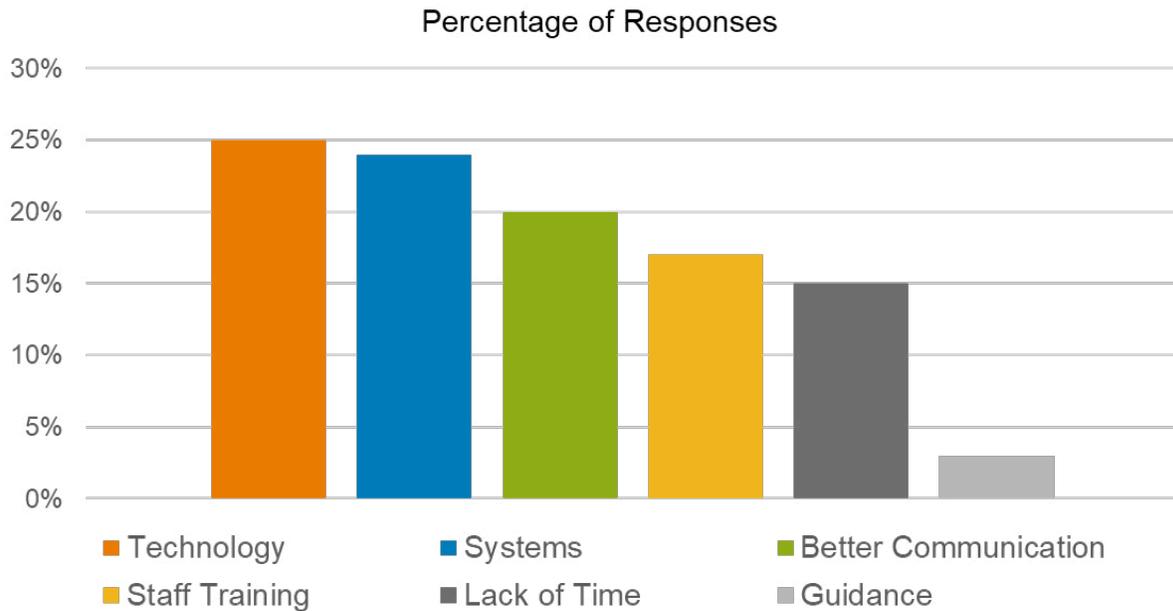
- Lack of skills, training, qualifications, or education needed for available jobs. Unrealistic expectations about job availability, wages, or qualifications required.
- Lack of digital literacy (difficulty using computers, creating resumes, and navigating online job sites like WIT).
- Lack of transportation or access to reliable transportation.
- Limited job options in rural areas.
- Criminal backgrounds.
- Language barriers.
- Discouraged after many rejections and no feedback from employers.
- Balancing costs of transportation, childcare etc. with low wage job offers.

What programs and services are working well?



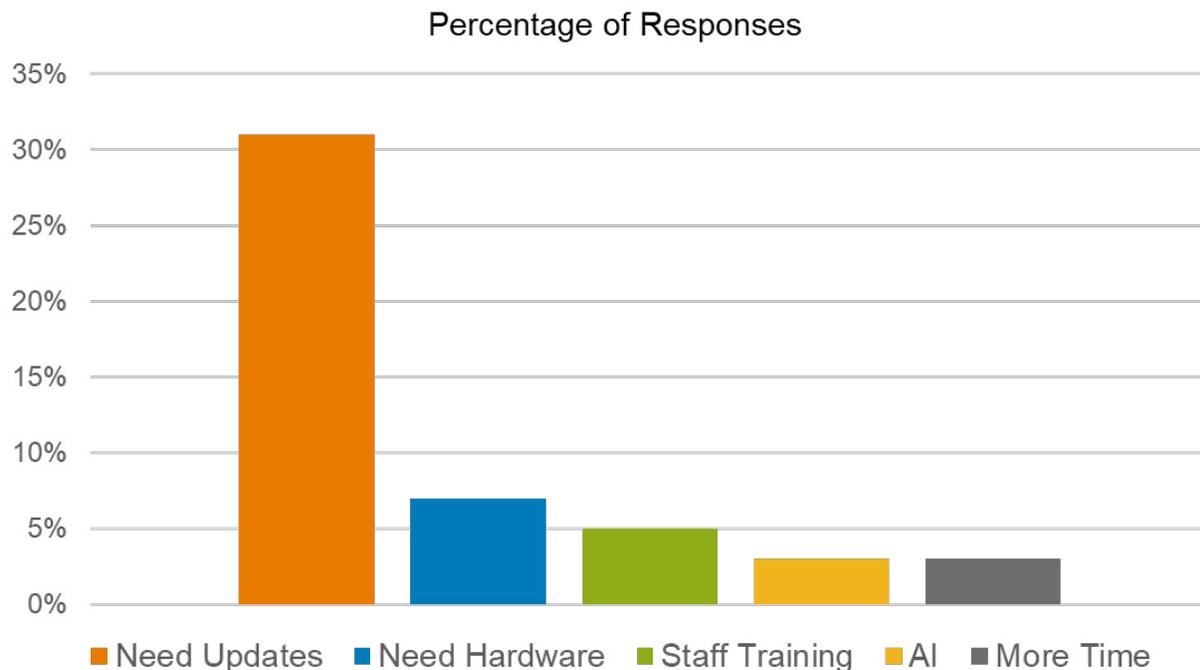
- Support services (transportation, clothing, etc.)
- Online tools like WIT, resume builder, and virtual appointments make some services more accessible and efficient.
- Work Based Learning.
- Hiring events and Job Fairs.
- Scholarships for training.
- Services for specific groups (Veterans, VR customers, apprentices, etc.) but more are needed for those with criminal records and homeless populations.
- Programs with strong communication between staff and customers, such as Next Gen.

Are there any gaps or inefficiencies in our current processes or procedures that may limit your ability to service customers effectively?



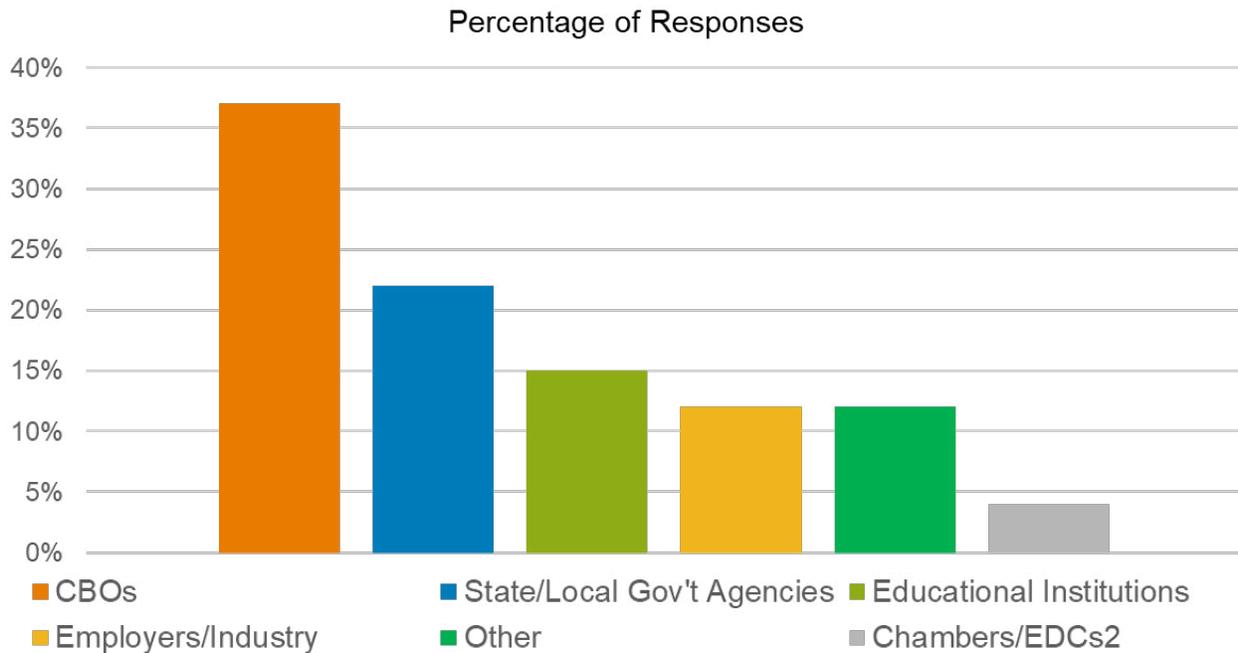
- Ineffective or outdated computer systems and technology platforms that negatively impact process efficiency and customer service.
- Inadequate staff training, especially for new hires, was repeatedly noted.
- Cumbersome processes involving excessive paperwork, approvals, and data entry that delay services.
- Communication and consistency issues between systems, departments, offices, and contractors that cause confusion.
- Understaffing and high caseloads decrease quality of customer service.
- High caseloads and too short appointment lengths consistently noted.

What technological advances, tools, or resources would make your job more efficient or impactful?



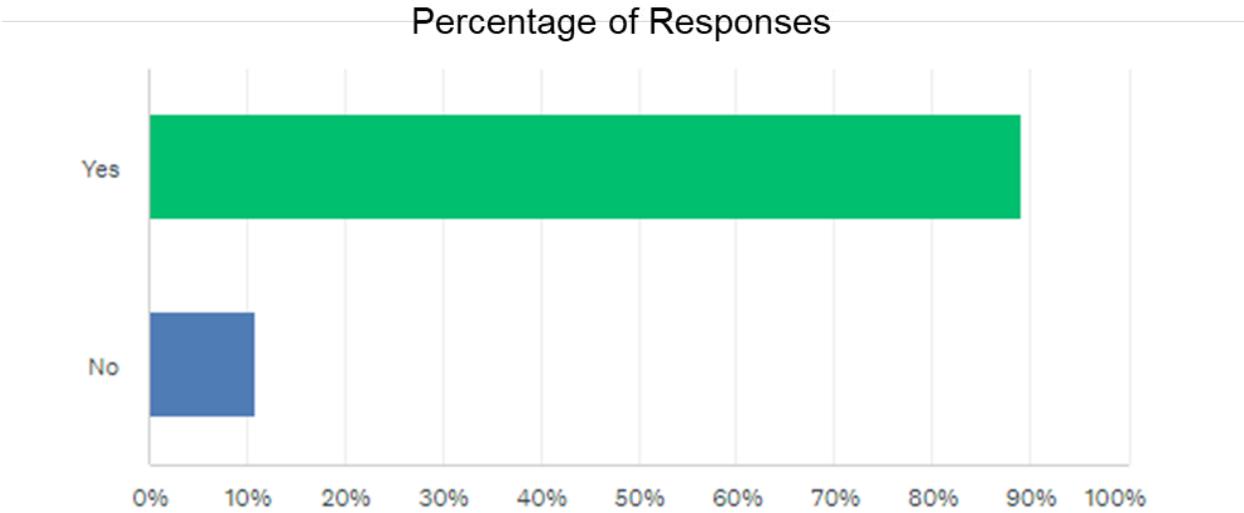
- The words “update” and “outdated” were repeatedly mentioned, as was “slow”. These words referenced software, hardware, and systems.
- Modernization of current slow IT systems, improving unreliable IT infrastructure and support such as hardware, internet connectivity and tech support is needed.
- There were *numerous* requests for expanded staff training and improved access to helpful resources and program information to empower employees.
- Need for streamlining of procedures, including appointment booking.

What partnerships with other organizations or agencies do you think could increase our impact?

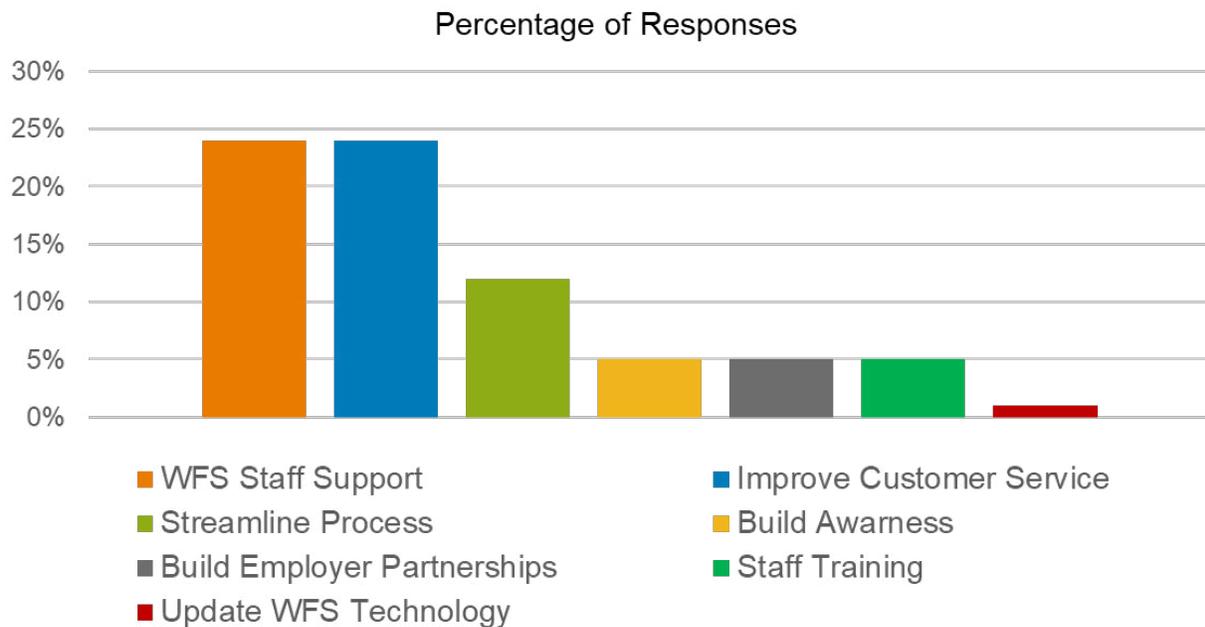


- NPOs and social services agencies for wraparound services.
- Education providers - particularly to increase work-based learning opportunities and outreach to students.
- Employer partnerships - especially those open to non-traditional hires.
- Partnerships that increase awareness of WFS, such as HHS.
- Partnerships with staffing/employment agencies to provide customers direct access to immediate job openings.

Do you believe diversity, equity, and inclusion are effectively integrated into our services and programs?



Do you have any feedback or suggestions that can help inform the development of our strategic plan and better serve our customers?



- Employee incentives and increased wages.
- Streamline processes and reduce bureaucracy.
- Increase awareness of WFS services.
- Strengthen employer partnerships and recruitment efforts.
- More training for staff.
- Improve technology, update systems and software.

Board Staff Survey Summary

“What is your Why?”

The decision to work for the Gulf Coast Workforce Board is influenced by a number of factors. Many cited their desire to **have a positive** impact on the community as the most compelling, expressing a genuine desire to “make a difference” and “serve the public.” While career growth and development play a significant role, with respondents seeking opportunities to utilize their skills and align with their career goals within the organization, the prospect of **contributing to new initiatives and driving changes** within the workforce system reflected the current staffs’ enthusiasm for innovation and progress. Moreover, the alignment with the **GCWB’s values**, such as promoting sustainable and equitable changes, resonated strongly with individuals who seek meaningful work. The supportive work environment and quality of colleagues were also mentioned as appealing factors. Overall, the responses underscore a strong sense of purpose and a **desire to contribute positively** to the community and workforce development.

The survey also highlighted respondents’ satisfaction both working with one another and knowing that their efforts positively impact lives of customers and sentiments were **predominantly positive**. The majority of employees were very or extremely satisfied with their work, but some noted room for improvement, particularly as it regards increasing community impact and achieving organizational goals. Nevertheless, quantitative ratings indicated **high satisfaction** levels among respondents, with satisfaction extending to the work environment and managerial support.

Some suggestions for improvements included:

- More **communication and collaboration** between frontline staff, management, and stakeholders.
- Implementing performance reviews and more **team-building** activities.
- Utilizing **technology tools** for streamlining communication and project management.
- **Improving data system and processes.**

Overall, the emphasis was on creating an environment conducive to open communication, idea sharing, and collaboration to address workforce issues effectively.

Why did you choose to work at this office?



- *“To help others better their lives”.*
- *“I’m committed to creating a positive impact”.*
- *“The work affects the community in a positive way”.*
- *“I want to be part of improving the region and making it a better place to work and live”.*
- *“I wanted the opportunity to serve my community and make an impact”.*

How can communication and collaboration between staff, management, and others improve overall outcomes?

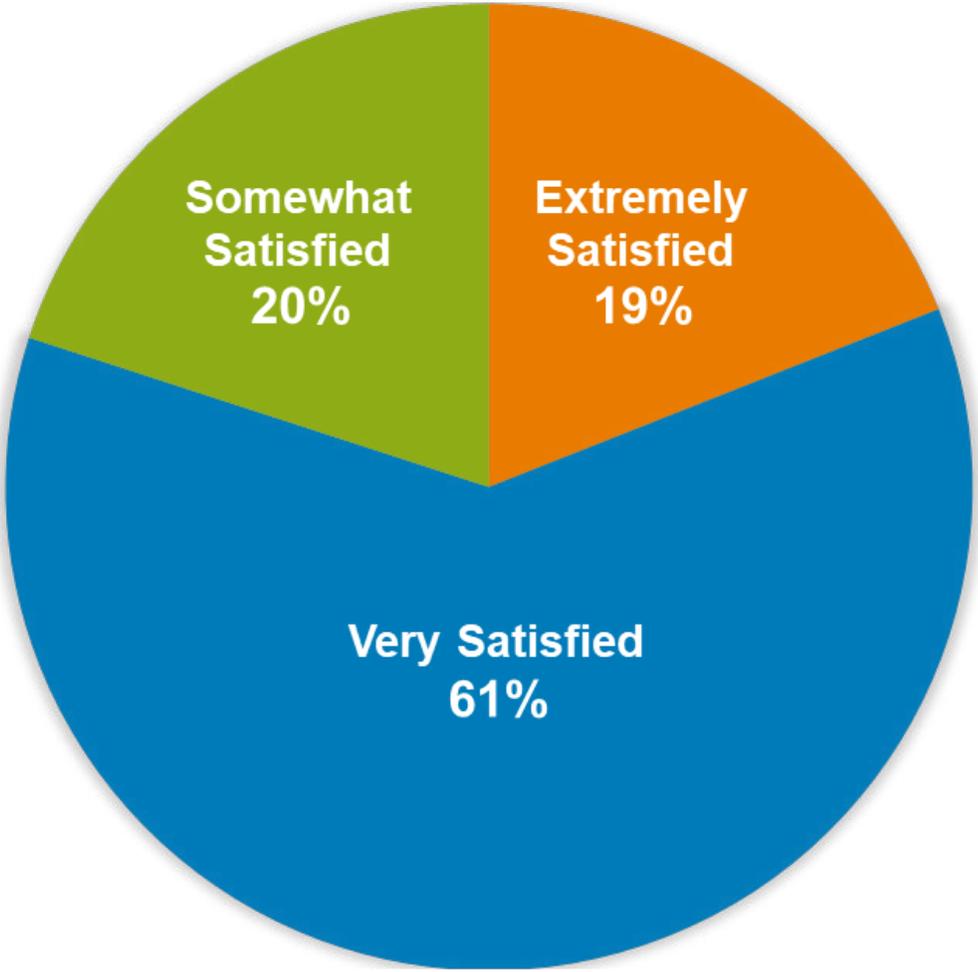
- *Individuals working on frontline always have great ideas. Listen more to frontline staff”.*
- *“Stop being afraid of change and try new ideas sooner”.*
- *“Bring more frontline staff to the table”.*
- *“More collaboration between staff and management”.*
- *“More collaboration across the Workforce Solutions system”.*
- *“Making better use of technology to streamline communications”.*

What aspects of your job are the most fulfilling?



- *"...when we are collaborating to solve problems".*
- *"That our decisions help improve people's lives".*
- *"Serving and engaging the community".*
- *"The ability to interact with people and make decisions that promote growth and opportunity for others".*
- *"Seeing the 'A-ha!' moments".*

How satisfied are you with the work you do?



Customer Survey Summary

Customer survey kiosks were placed in **eight** Workforce Solutions Career Offices across the region:

- Six in the urban area (Acres Home, Northline, Astrodome, Westheimer, East End, and Southwest)
- Two in more suburban locations (Cypress Station, Missouri City)
- Two in exurban areas (Waller, Sealy)

The urban locations were chosen based on having the **highest average foot traffic**, as were the other locations. The survey results **attached** are from the period February 19, 2024 – March 7, 2024. Customers were asked to respond to the following five questions, and were provided in both **English and Spanish**:

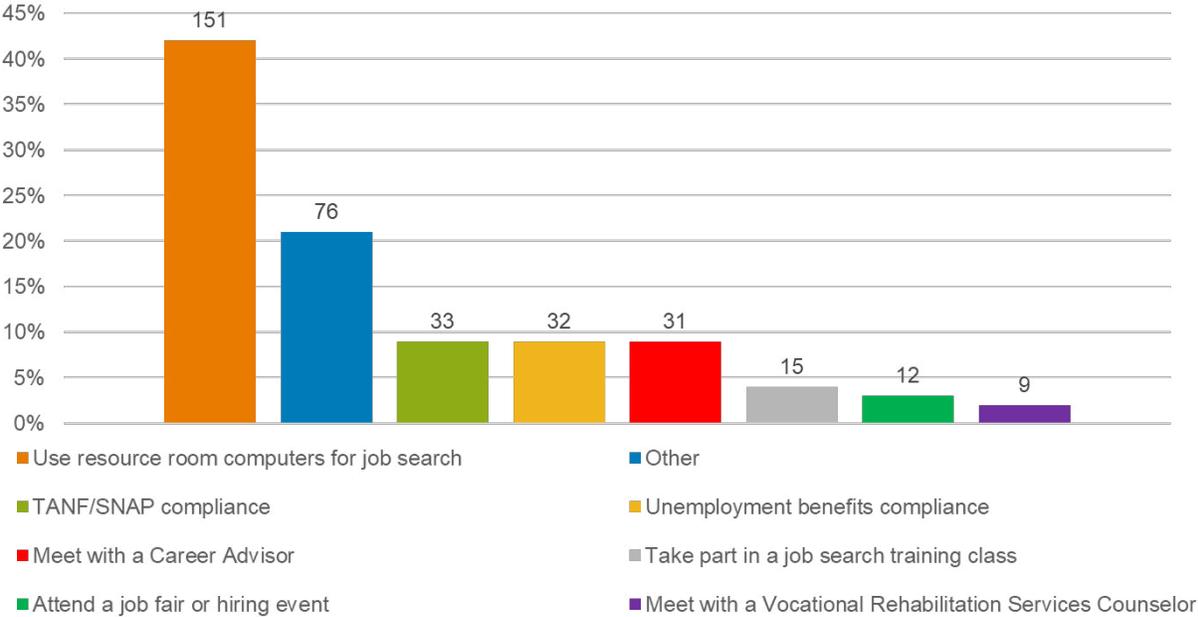
1. What was the **reason for your visit** today? (355 responses)
2. Prior to your visit, were you **aware** of any or all of these services? (listed) (330 responses)
3. If you visited with a Career Advisor or Coach, did they provide the assistance you needed or were looking for? (326 responses)
4. Based on your visit, do you think WFS provides the **help and resources** (including information about job training opportunities) you need to find a new or better job? (342 responses)
5. **Rate your experience** on a scale of 1-5. (329 responses)

The **vast majority** of respondents indicated the reason for going to a Workforce Solutions Career Office was to use computer and technology resources. Overall experience ratings were high.



What was the reason for your visit today?

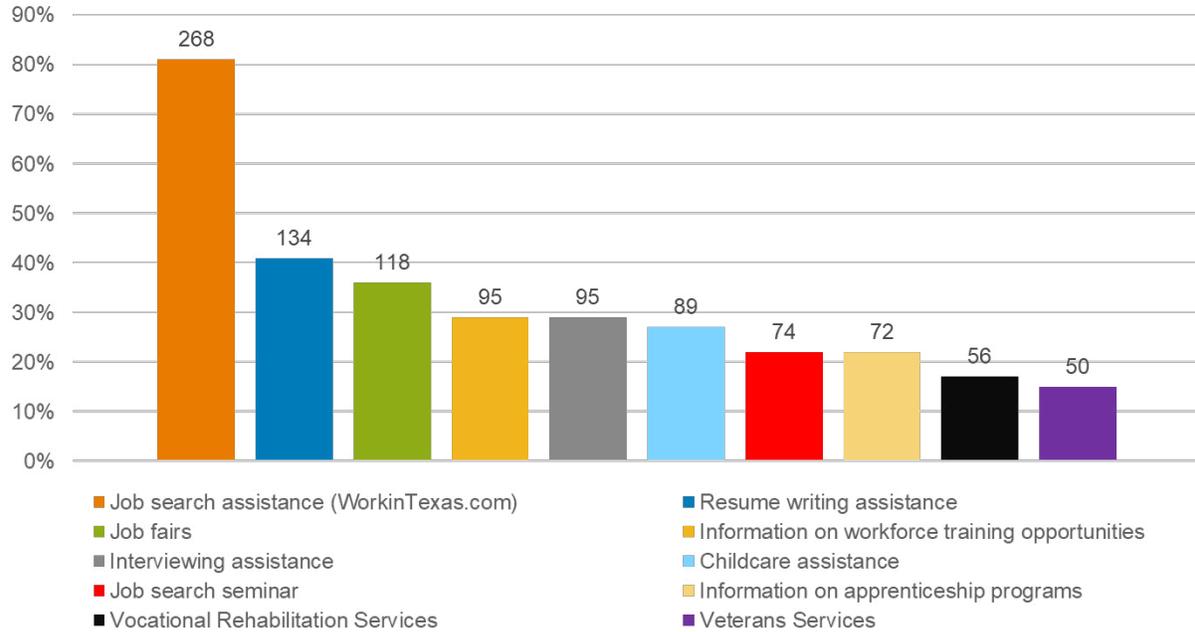
Answered: 359 Skipped: 0



- Total Responses: 359
- More than half of the responses in the “Other” category are for technology resources as well, such as printing, faxing, etc.
- Majority of customers using career offices for computers; equipment.

Prior to your visit, were you aware of any or all of the services listed below? Please check all that apply)

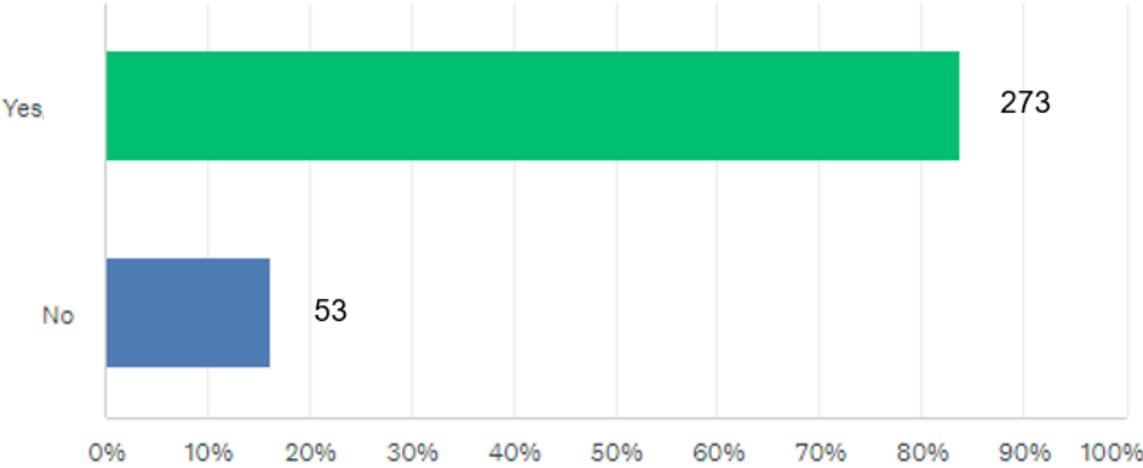
Answered: 330 Skipped: 29



- WorkInTexas – number one reason for visits to career offices.
- Technological updates (software and hardware) could better serve customers and reduce wait times for access to these resources.

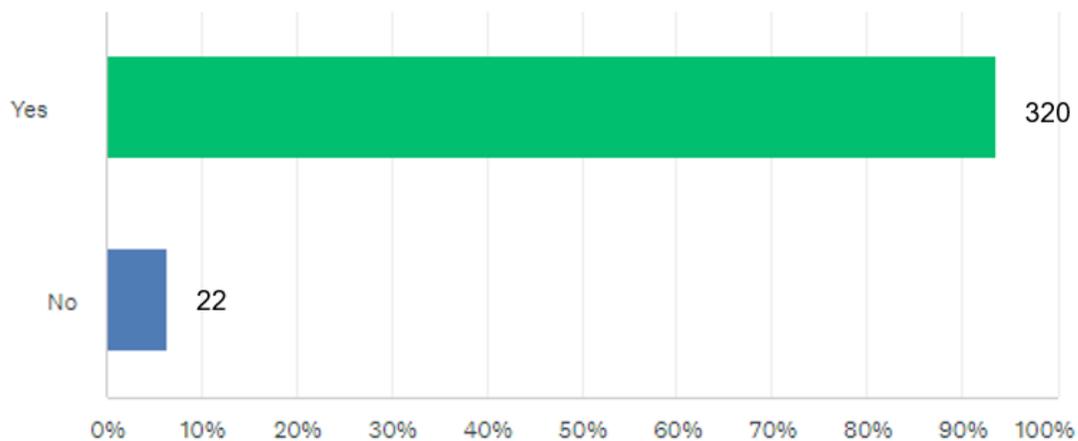
If you visited with a Career Advisor or Employment Coach, did they provide the assistance you needed or were looking for?

Answered: 326 Skipped: 33



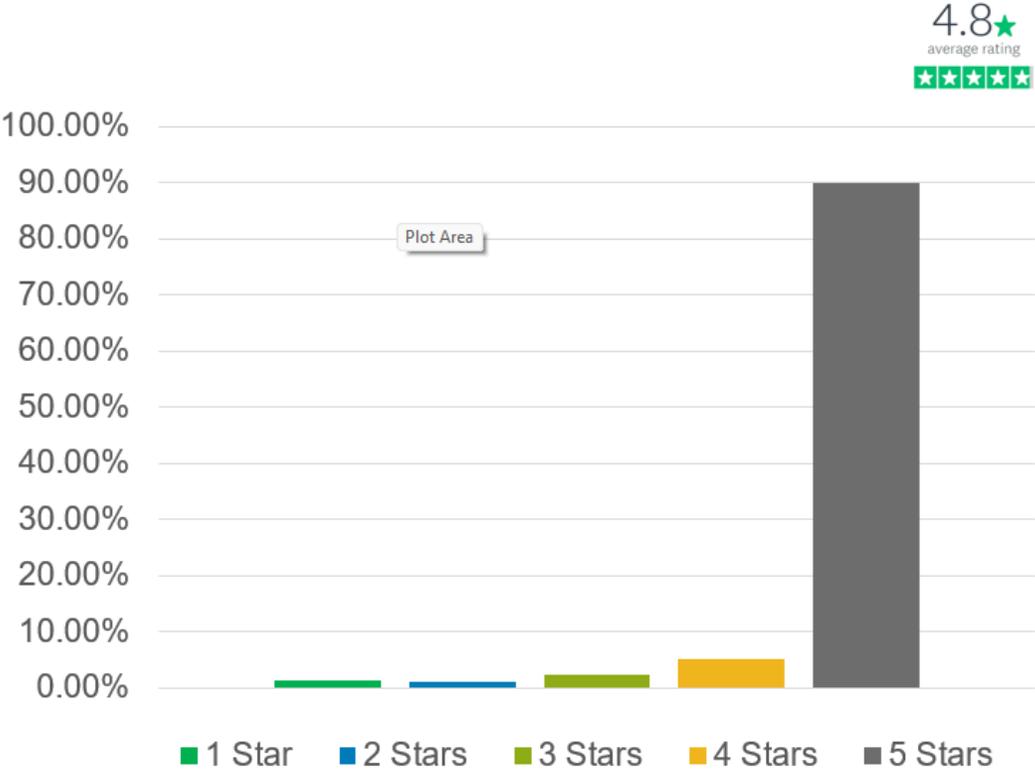
Based on your visit, do you think Workforce Solutions provides the help and resources (including information about job training opportunities) you need to find a new or better job or advance in your career?

Answered: 342 Skipped: 17



On a scale of 1 - 5, how would you rate your overall experience today?

Answered: 329 Skipped: 30



II. STAKEHOLDER ENGAGEMENT

Stakeholder Engagement Sessions (as of 03.08.24)

Community Organizations

- Adult Education Center
- BridgeYear
- Hesed House
- United Way
- The Center for Pursuit
- Family Houston
- United Way of Greater Houston
- Houston Area Urban League
- Volunteers of America Texas
- The Alliance Houston
- Wesley Community Center
- Community Assistance Center
- Houston Area Women’s Center
- SERJobs
- The Landing
- The Women’s Resource of Greater Houston
- Memorial Assistance Ministries (MAM)

Chambers of Commerce

- Bay City Chamber of Commerce & Agriculture
- Brazoria County Hispanic Chamber of Commerce
- Fort Bend Chamber of Commerce
- Galveston Regional Chamber of Commerce
- Huntsville Walker County Chamber of Commerce
- Montgomery County Chamber of Commerce
- Greater Tomball Area Chamber of Commerce
- Pearland Chamber of Commerce
- The Wharton County Hispanic Chamber of Commerce

Economic Development Councils

- Matagorda County Economic Development Corporation
- Pearland Economic Development Corporatio
- The Woodlands Area Economic Development Partnership
- Tomball Economic Development Corporation
- Wharton/ El Campo Economic Development Corporation

Employers /Industry Groups

- Central South Carpenters and Millwrights Training Trust Fund
- Houston Gulf Coast Building and Construction Trades Council (HGCBCTC)
- BioHouston
- HCA Healthcare
- LyondellBasell
- Intertek
- MD Anderson Cancer Center

Educators

- Region 4 Education Service Center
- Wharton County Junior College
- Galveston College
- Brazosport College
- San Jacinto College

Workforce Organizations

- Workforce Connections (Southern Nevada’s Workforce Development Board)
- Prince George’s County Workforce Development Board (Maryland)

COMMUNITY-BASED ORGANIZATIONS INPUT

Community-Based Organization Summary

Numerous sessions with a wide variety of community-based organizations provided valuable input into areas where WFS could strengthen its impact in meeting the needs of both job seekers and the workforce needs in the region. All expressed a desire to collaborate with Workforce Solutions better and more effectively and to work together to serve individuals in the community.

A **lack of awareness** about the scope of services WFS provides is repeatedly mentioned. Other key takeaways include:

- **Alignment of Demographic:** As an example, the Adult Education Center primarily serves individuals aged 19 to 54, while Workforce Solutions focuses more on the 16 to 24 age group. This misalignment creates a disconnect in the services offered and the target population served.
- **Partnerships:** While **partnerships** with some organizations are robust, others noted their partnerships have been with individuals, not WFS itself, and when that individual leaves WFS, so does the partnership.
- **Enhanced Collaboration:** A desire for more collaboration is widely expressed and is key to addressing the needs of clients effectively. This includes clearer communication, sharing of data on job placements, and providing training opportunities for staff members to better assist clients.
- **Job Fair Relevance:** Job fairs organized in collaboration with Workforce Solutions often are not – but should be - tailored to meet the **specific needs** of the target demographic, ensuring that the jobs offered align with the skill sets and career goals of the attendees.
- **Awareness of Career Pathways:** A **lack of awareness** about **career pathways** and even what types of jobs are available have been identified across every stakeholder group that feedback. Many clients are unaware of the various career pathways available to them, leading to missed opportunities. Providing clearer information about career options and training programs, **especially those offered by Workforce Solutions**, is essential.
- **Access to Resources:** Clients often struggle with accessing resources and services due to barriers such as transportation, lack of proper identification, or family obligations. **Improving access** to resources like **childcare, transportation, and training programs** is crucial for empowering clients to pursue career opportunities.

Overall, a commitment to continuous improvement in the above areas was underscored as vital if Workforce Solutions is to be effective and responsive to the needs of the community.

CHAMBERS OF COMMERCE INPUT

Chambers of Commerce Summary

During interviews, Workforce Solutions was often cited for its expertise in identifying individuals in need of certification and facilitating training, and also its HR expertise. However, many noted a lack of a working relationship or partnership, or that a partnership was either limited or sporadic.

Increasing awareness of the range of services WFS provides was widely noted, as well as improving communication between WFS and chambers. Overall, there's a consensus on the need for collaborative efforts to bridge the gap between available resources and the needs of businesses and individuals in the community.

Key Takeaways:

- **Engagement with Chambers of Commerce:** There was a call across all chambers interviewed for better engagement with Workforce Solutions. They are eager for more and better **collaboration**, communication, and mutual support in addressing workforce challenges and opportunities.
- **Tailored Engagement:** Chambers across the region also expressed the need for **engagement** that speaks to their particular community and business climate, and that what works for one chamber may not work for another.
- **Enhanced Employer Partnerships:** There is both need and desire for **stronger collaborations** with employers to ensure they are aware of the services offered by Workforce Solutions, including the utilization of technology to help facilitate hiring.
- **Expertise in Training and Certification:** Workforce Solutions is recognized for its **expertise** in identifying certification needs and providing training opportunities but is **underutilized**.
- **Improved Awareness and Visibility:** Participants stressed the importance of **increasing awareness** about Workforce Solutions and the services it offers to employers – including small businesses.
- **Addressing Misconceptions and Improving Accessibility:** Efforts should be made to dispel **misconceptions** about Workforce Solutions' offerings, improve accessibility to resources, and streamline processes to better serve the needs of businesses and job seekers alike.

Chambers of Commerce Transcript

Transcript of video reel - <https://outreachstrategists.sharefile.com/d-sac9e-86d8a1b34d56a3988f52344e9901> provided.

Keri Schmidt – President & CEO, Fort Bend Chamber of Commerce

“We as a chamber represent over a thousand organizations, and there very well may be activities that are taking place that I’m just not aware of. But certainly, I have access to these businesses. I can certainly send out surveys. I can certainly put together round tables. We can determine what Workforce Solution needs are specifically in Fort Bend County. And perhaps there’s a thought that that’s done, and if it has, that’s fine, but we’ve not had any engagement in it and we represent the business community.”

“I think that’s strange, largest organization that represents business in Fort Bend County, but there’s absolutely no communication on a direct level. I go to the board meetings, I get updates, I get reports, and that’s it.

Mitch Thames – President & CEO, Bay City Texas Chamber of Commerce & Agriculture

“I think they do an excellent job every day of helping the unemployed, but I think the partnering with the employer to make sure that they’re aware that one, the services is free, no cost, one. The availability of technology in the workforce office, probably number two. The ability for some of our startup industries to interview at the Workforce Solutions office I think is invaluable because some of these companies don’t have offices yet. They’re going to build their offices, so Rome USA is a prime example. They’ve got some trailers out there, but it’s inside the OQ chemical plant, and so the public, you have to watch one, you have to be escorted in one, you have to watch an eight-minute safety video. It’s just a pain in the butt to go.”

“My number one wish on the wish list, and I know we’ll get there, for all Workforce Solutions not just this one. And I’ve served on several panels on a statewide level, and this discussion comes up is Workforce Solutions does a tremendous job for us with unemployed and underemployed and low socio-economic individuals. Where we need your expertise, which you own, they own, they have deep expertise, is in the realm of identifying individuals that might need a certificate and then helping them, middle income, maybe even higher income

individuals, be able to have knowledge of some training, maybe some dollars where those individuals go and specifically get trained for an industry here in Matagorda.”

“The perception is if you make 40 thousand dollars a year we can’t help you, unless you hit the low socioeconomic criteria, there’s no program to help you. If you’re a plant worker trying to go to WCJC to get an associate’s degree in power technology with a nuclear lean, there’s no assistance there at all because you’re making 40, 50 thousand dollars a year. My industry needs those workers, that’s a realm that I would like...and I know there’s federal guidelines, I know there’s state guidelines and this isn’t something I’m asking for H-GAC, it’s not something I’m asking for Bay City. This is something I’m asking that the federal government actually assists in changing probably some rules as well as the state of Texas. Now I’m a recovering a lobbyist in Austin, so I know how to do the state change, but a lot of the state money comes from federal, so I know what I’m asking is difficult.”

“We in the economic development world would love to have Workforce Solutions partnering with us in identifying those individuals that could go for this additional training with a job waiting for them at the end.”

“PCC is one that I can talk about, it’s a German company, \$2 billion, about 900 employees, and they’re trying to pick Bay City over some other locations. And if I’ve got a Workforce Solutions HR expert in the room, assuring them that Workforce Solutions will do everything they can to assure they get quality candidates for employees, it just goes a little bit extra in that. Louisiana doesn’t do it.”

“I’m not asking for another committee assignment, I assure you, but we’ve got folks that can go up and say, this is what we need. But it is as simple as giving...and I know their world at Workforce Solutions is number...number based and its instant gratification.”

“They’re worried more about getting, reaching their quotas—numbers, because that’s where the money is and that’s where the pressure is, and that doesn’t translate into helping a prospect pick one location over another. The fact that you keep hitting all of these indices numbers, that doesn’t translate to our industry partners. They could care less. They want to know that if they need 2000 applicants for 700 jobs, that you can provide them 1500.”

ECONOMIC DEVELOPMENT COUNCILS

Economic Development Council Summary

Matagorda EDC and Bay City Chamber of Commerce

Brain drain is a real concern for Matagorda County and the surrounding areas. Students flee the region after graduating high school in search of opportunities, which usually means relocating to Houston. This doesn't **have to happen**, according to regional economic development leaders.

Matagorda has opportunities for its youth, the problem is that they do not know those opportunities exist. General feedback gathered from the discussion:

- **Curriculum should be introduced at the elementary level** that encourages students to think about future career paths.
- Middle and high school curriculum should include CTE courses and programs that respond to the needs of the local job market
- Start **promoting career development earlier**. Middle School students should be exposed to the region's career paths no later than middle school.
- Programs needed to promote **women** and STEM careers.

To further support workforce development curriculum, the Matagorda region has established scholarships. While there is ample funding, not enough students are taking advantage of these resources. **The funds are never completely used in each cycle**. Likely due to **lack of awareness**.

More needs to be done to increase awareness about the scholarship opportunities. One idea that was offered was to establish education-industry partnerships that create a career pipeline with associated scholarship support.

Key Takeaways:

- CTE curriculum and programs **need to be expanded** at all levels, elementary through post-secondary.
- Needs to be more concerted effort to keep **youth workers** after high school.
- More outreach to female students.
- Increasing awareness of career pathways is needed.

Pearland EDC and Pearland Chamber of Commerce

Being located **near an economic hub** like Houston provides lots of benefits but also creates some disadvantages. While suburban areas like Pearland are often considered bedroom communities with people traveling to the city to work, Pearland and the surrounding areas have career opportunities and, therefore, **needs of their own**. A concern for the region's business leaders is the **aging population**. A significant portion of the workforce is near retirement age and not enough young workers are entering the workforce to keep up with the pace of the retirements.

Some **ideas** on how to respond to the evolving workforce trends include:

- Invest in customized training opportunities to **upskill** the existing workforce
- Create **partnerships** between educational institutions and industry to promote career pipelines.
- Expand **pre-apprenticeship** programs so that young people are **aware** of additional career paths and opportunities
- Support small business growth by encouraging local businesses to **utilize the existing resources** offered by Workforce Solutions.

Key Takeaways:

- An aging workforce and baby boomer retirement already **affecting workforce** needs.
- More **collaboration** between industry and educational institutions is needed.
- **Lack of awareness** of Workforce Solutions employer and business resources

Tomball Economic Development Corporation Forum

Tomball is **experiencing growth** in many of the industry sectors. IT, Administrative support, Professional Services, Manufacturing, and Healthcare will all add positions to the payroll. **Construction** will also add jobs but that sector has had a **worker shortage** for the better part of the past two decades. Not having enough construction workers means delayed growth in other sectors, as **not enough workers** are building infrastructure needed to support economic growth.

The Tomball discussion participants have highlighted the following skills as priority areas:

- **Digital literacy**
- Coding & programming
- STEM education

Like other EDCs, Tomball would like to see more apprenticeship programs and career pipelines. Companies are interested in apprenticeship programs but may need help in establishing them.

Key Takeaways:

- Need for **career pathways**
- **Expand apprenticeship** opportunities
- **Digital skills** workforce training

Wharton/EI Campo EDC Forum

Wharton County's economy has **high demand** in industries including **Healthcare, Construction, and Energy**. To meet these needs, upskilling will be critical. Today's youth will need to have these skills as they enter the workforce. **Apprenticeships, pre-apprentice programs, and education** were considered as ways in which the youth can be prepared for the jobs of tomorrow.

Some in the focus group expressed that **retaining employees is a challenge**. Turnover is high. Business leaders need help keeping employees. It was suggested that local business leaders and owners develop customized **recruitment strategies** to better align jobseekers with the company's needs. **Childcare** was also mentioned as one of the challenges to retaining employees.

Wharton County has a significant **Hispanic population**. The Wharton County Hispanic Chamber of Commerce suggested there be a **concerted effort to connect** with the Hispanic community. Having a better connection will incentivize the Hispanic community to pursue some of the positions that are not being filled quickly.

Key Takeaways:

- **Upskilling needed** for high-demand, high-growth sectors.
- **Not enough apprenticeship** and pre-apprenticeship programs for youth workers
- Lack of affordable **childcare**

The Woodlands Area Economic Development Partnership

The Woodlands economic region is **unique in comparison** to other regions profiled in that it is home to global **energy and technology** companies. These companies employ workers who possess **digital skills**. Many of the region's jobs are now being performed partially or fully remotely. Remote work has been highly desired by the region's workforce in the wake of the **pandemic**.

Remote work also presents a challenge to the region's employers. Competition from out-of-state companies has increased, as they cast a wider net. **Workers are no longer geographically restricted** in their job search and can accept jobs in other states without having to move. This means fewer positions are being filled locally.

The discussion participants offered ideas on how to respond:

- Close the **digital divide**
- **Expand CTE courses at all levels**, most especially at community colleges.
- **Increase apprenticeship** and experienced-based learning opportunities.
- **Improve mobility and transportation** in the region, as many workers have cited this as a **barrier** to finding/accepting jobs
- Make salaries more competitive - **employers should be thinking ahead**—six months to a year—when conducting wage analyses.

Key Takeaways:

- Acute **shortage** of skilled labor.
- Lack of **collaborative** skills training between industry, education and workforce development leadership.
- CTE programs and CTE career **awareness needs to be expanded** at all levels.
- **Apprenticeships** are an effective way to meet future talent needs but require collaboration between educators and employers

Workforce Solutions Compilation Video Transcript

“Education is the manufacturer. The jobseeker is our product. Business is our customer.”

-Walter Simmons, President/CEO, Prince George’s County Workforce Board

“We are a convener. That is our biggest role.”

-Jaime Cruz, Executive Director, Workforce Connections Southern Nevada

Preparedness and Advancement

Ann Tanabe - CEO, BioHouston

You are not going to have workforce if you’re not educating and building the kids of tomorrow, right? I mean, it doesn’t work.

Erica Castro - Workforce Development Program Manager, HCA Healthcare

So, we got them to their first job, but what are we going to do to get them to their career that’s going to be able to buy them that home that they had a dream of? Focus more on those jobs and finding those individuals because they’re out here. They’re just not going to Workforce Solutions.

William Phelps - CTE Education Specialist, Region 4 ESC

When I look at Workforce Solutions, in my head, I’m looking at a group, an organization that has a far better reach into the business and industry sector that can tie that to what’s happening inside the classroom.

Danny Bacot - Dean of Workforce, Wharton County Junior College

The State of Texas gives me all kinds of marketing material for the skills development grants, the small business grants, and I hand all that stuff out at all the meetings I go to, but I don’t really have much for Workforce Solutions.

Rommell Williams - Director of Workforce Development and Training, Houston Area Urban League

You have to do a much better job at articulating what a career path is, but I think that’s on a much larger scale. No one really talks about career pathways. They talk about a certain job opportunity or an industry, but they don’t talk about how to get there.

Dr. Myles Shelton - President, Galveston College

That’s one of the things that Workforce Solutions has done and done well for us, is taking an unemployed or underemployed worker and working with us and with them to get them into a training program. I think the ability to work with us and work with students, or prospective students, to help them into either a training or certificate or associate degree program that makes them employable and not just employable, I think employable at a sustainable living wage.

Fabeah Newton, Chief Program Officer, BridgeYear

60% of students are just not aware that there are short term training programs that provide certification in entry level positions, and that will allow them to progress up the career ladder. The majority of students just don't know that there are pathways that they can actually access.

Erica Castro - Workforce Development Program Manager, HCA Healthcare

Working with our local workforce boards to help close gaps is crucial to the work we're doing.

Integration and Influence

Keri Schmidt - President, Fort Bend Chamber of Commerce

I think that's strange. Largest organization that represents business in Fort Bend County, but there's absolutely no communication on a direct level.

Mitch Thames - President, Bay City Chamber of Commerce

We, in the economic development world, would love to have Workforce Solutions partnering with us and identifying those individuals that could go for this additional training with a job waiting for them at the end.

Ann Tanabe - CEO, BioHouston

All those guys have their place, but you have to make room at the table for those of us that are in these emerging industries that are multidisciplinary, that look at the world in a slightly different way, cause that's actually where the puck is going, right? People at the Workforce have to be thinking about where's the puck going and how do I get there?

Gina Aguirre – President, Brazoria Hispanic Chamber of Commerce

Workforce Solutions could partner better in connecting talent to small business.

Shannan Reid – Executive Director, Montgomery Chamber of Commerce

I don't necessarily think of Workforce Solutions as the same kind of skilled labor training that I do from Lone Star College. All of the people in leadership that had the opportunity to do it any differently chose to keep it exactly this way...the way it is. We can't be the only one suffering in that situation.

Gina Aguirre – President, Brazoria Hispanic Chamber of Commerce

I even talked to a few people about trying to get Workforce Solutions on board with the chamber, and I don't know what it is because they're involved in other chambers, but they're not involved in ours.

Mitch Thames - President, Bay City Chamber of Commerce

The perception is if you make \$40,000 a year, we can't help you. Unless you hit low socioeconomic criteria, there's no program to help you.

Ray Hernandez - President, Huntsville Walker county Chamber of Commerce

We are thirsty for partnership and thirsty for an engagement.

Innovation and Impact

Dr. Myles Shelton - President, Galveston College

We've come to the conclusion that somebody who knows how to use AI as a tool...they're the ones that are going to get the jobs. The one that doesn't know AI, they're not...it's not going to be the robot that takes their job, it's going to be the guy that knows how to use AI that takes the job.

Ann Tanabe – CEO, BioHouston

Yes, you can have your representation from CenterPoint and Exxon and all these guys, but that's not where, in my opinion, the jobs of tomorrow are going to be.

Gina Spagnola - President, Galveston Chamber of Commerce

If we could forecast and work with Workforce Solutions and find out what are those jobs five years from now. Ten years? What's coming down the road? We talk, but then there's no follow through.

Amelia Cleveland – Hessed House

So the thing with Wharton, we are smack in the middle of Houston and Victoria. All the resources go to Houston, all the resources go to Victoria, and there is nothing for the middle part. We're the middle kids. We're the forgotten people.

Mitch Thames - President, Bay City Chamber of Commerce

They're worried more about reaching their quotas, numbers, because that's where the money is, and that's where the pressure is, and that doesn't translate into helping a prospect pick one location over another. The fact that you keep hitting all of these indices numbers, that doesn't translate to our industry partners, they could care less. They want to know that if they need 2000 applicants for 700 jobs, that you can provide them 1500.

Stakeholder Input Education Summary

Across all input sessions, stakeholders in the education space highlighted the need for **stronger and better collaboration** with Workforce Solutions, recognizing WFS as a **key partner** in leveraging opportunities that support students and job seekers – particularly as it surrounds **apprenticeships** and workforce training opportunities. Direct engagement between business partners and schools was also seen as a significant benefit that enables students to gain a deeper understanding of career pathways and prospective careers.

Prioritizing **skills training** in careers with family sustaining wages is crucial including (but not limited to) to building a workforce that is skilled in **emerging fields** such as AI. There is also the need for marketing materials or collateral that not only effectively communicate available opportunities for students and businesses, but the **services of WFS** in general.

The role of Workforce Solutions in providing training programs for unemployed or underemployed individuals was often commended for its impact in facilitating meaningful employment opportunities, however, there was a wide consensus that WFS is **underutilizing opportunities for partnership** and play a more significant role. Stronger ties are wanted and needed. **Collaboration** between stakeholders was identified as **essential** for bridging gaps and maximizing opportunities for educational and employment advancement within the region.

Workforce Solutions Stakeholder Engagement Education Transcript

Transcript of video reel - <https://outreachstrategists.sharefile.com/d-s59ca2b-fe378e47088aa09122fe90f668> provided.

Rommell Williams - Director, Workforce Development & Training, HAUL

"I think it will be very helpful and useful if we can have a better relationship with the local Workforce Solution offices because they are the state agency for workforce, but we want to be able to utilize their work in Texas or their apprenticeships and be able to research the available opportunities that they have in that process sometimes can be very difficult. So it would be great if we have someone that want to do an apprenticeship, we should, where we should be able to go to the website and actually find information to give clear, concise instructions on what their next steps will be."

"That kind of goes back to my first point. They're not aware or knowledgeable of what a career path looks like. Part of that is really on us as workforce coaches, as working in this space. We have to do a much better job of articulating what a career path is, but I think that's on a much larger scale. No one really talks about career pathways. They talk about a certain job opportunity or an industry, but they don't talk about how to get there."

William Phelps - CTE Education Specialist, Region 4 Education Service Center

"From what I'm hearing is that the opportunity to have employees, to have business partners come into the schools and talk directly to the students about careers around, 'Hey, this is kind of where you want to go...how do I get there?' That sort of thing. So definitely I think that's one of the largest benefits. What I see as the benefit is us utilizing what's in our backyard. So, I think that if we utilize Workforce Solutions correctly, it'll benefit the school district in which they're actually in and the schools that they're in, talking to those teachers and those students, and it'll help supplant or support our regional program to study, or even our statewide programs to study."

"I think that the skill acquisition piece is a big thing. One thing that we're looking at now is that data is showing that our students are a year to two behind on every level across the state."

So, when you take that into consideration is if I'm getting into a principles of applied engineering class right in the ninth grade, and I should have some type of geometry skills or some type of algebra skills, right? If my skillset isn't up to par where it should be, then I'm going to struggle in that path because there's no connection point. Just like in our health science, if you get into a health science course, if you are not up to par, then you're going to be behind it. So what's happening is, while our core teachers, math and science, social studies, teachers are trying to catch up, so are our CTE teachers, so they're trying to embed that. And so one of the things that I think when I think of that is I think of embedding these skills into the trainings when Workforce Solutions comes out, reinforce what does it look like to be an HVAC technician, right? It's really good. You can learn the wires, but do you know the science behind it? You know what I mean? Do you know when you're about to, for lack of better word, blow yourself up. And these are skillset that this generation just does not have. My grandmama used to call it having the wherewithal, having the wherewithal about yourself, right? They don't."

"I was on a call with some community college presidents a few months ago, and they were like, William, what are you guys doing at the high school level for AI? Well, we haven't even touched it in the state. There's some people doing some stuff in computer science with it, but there's not a pathway for it. This is going to be the number one job in a few years for 30, 40, 50 years down the road."

"So, I think that's what we can do. When we talk about bringing, when I look at Workforce Solutions, in my head, I'm looking at an organization that has a far better reach into the business and industry sector that can tie that to what's happening inside the classroom. So, can you bring that into the classroom? I know that we're not teaching it right now, but the kids still need to know that aspect of it."

Dr. Myles Shelton – President of Galveston College

"That's one of the things that Workforce Solutions has done and done well for us, is taking an unemployed or underemployed worker and working with us and with them to get them into a training program, whether it's short-term or long-term. And I say long-term, you know, certificate or associate degree- one year to two years. And they've been great to work with. They've been a great partner in that, and we certainly want to see them continue to be able to do that for us."

“It’s the wraparound services, but it’s helping them find that niche. I had a good friend, still a good friend, but he had a terrible automobile accident, and he could no longer...he was confined to a wheelchair and his mind was still sharp, and he had stamina and strength and everything, but couldn’t do what he used to do. Well, I mean, they got him with...he was bright enough, he went through college, got an accounting degree, and he’s an accountant now, but he would never have gotten there had it not been for the services that Workforce Solutions provides. That’s the kind of thing, because they helped him go through that process of saying, ‘Okay, what do you like, what can you do? What fits you today?’”

“We’ve come to the conclusion that somebody who knows how to use AI as a tool, they’re the ones that are going to get the jobs. The one that doesn’t know AI, it’s not going to be the robot that takes their job. It’s going to be the guy that knows how to use AI that takes the job. Across the board, in our academic programs and our technical programs, we’re figuring out how we’re going to incorporate it into every single thing that we do, everything that we teach.”

Danny Bacot – Dean of Workforce, Wharton County Junior College

“So, what would help is if I have, and Workforce Solutions may feel like they’ve done this, but if I had some material marketing material of theirs that explains how they can help the company with the salaries and things of new hires if they hire through their offices, if I could have some of that material, I can use that when I meet with these people. So, the State of Texas gives me all kinds of marketing material for the skills development grants, the small business grants, and I hand all that stuff out and all the meetings I go to. But I don’t really have much for Workforce Solutions. Now I’m sure I could go to a website or go to a website and print own, but that’s not likely to happen as often, I think as it should. So if I could get a little packet of this stuff, I could put it in my folders that I hand out that could help the businesses know about these opportunities.”

Stakeholder Engagement Employers Summary

Interviews sessions with employers across various industries were aimed at examining not only workforce needs now and in the future, but their **engagement** with Workforce Solutions. Participants from Healthcare, Construction, Quality Assurance, Life Sciences, Chemical manufacturers and other sectors have shared insights into their **recruitment strategies, challenges, and perceptions** of (or relationships with) WFS, and interviews are ongoing.

All employers providing input have underscored the importance of **bridging the gap** between workforce needs and available resources through **strategic collaboration**, effective communication, and proactive **engagement**. While acknowledging the value of Workforce Solutions, employers have also highlighted the need for **improved communication** and alignment. For instance, many employers take advantage of job fairs organized by WFS and are grateful for that, but noted there was often a huge “disconnect” and poor communication working with various career offices.

Most employers interviewed had little to no awareness of the full range of services offered by Workforce Solutions and were **unfamiliar** with how to effectively leverage available resources, again emphasizing a need for **increased awareness** and clearer communication. When asked, employers did express a keen interest in having WFS serve as a convener between businesses and industries, to facilitate partnerships and relationship with one another, to provide labor market data, and to offer support and guidance for **apprenticeships and upskilling** initiatives.

Participants repeatedly underscored the need for **proactive engagement**, better and more consistent communication, and more collaboration with WFS to drive positive outcomes for both employers and job seekers.

Some examples:

- MD Anderson Cancer Center emphasized the **critical need** for staff to support healthcare services, especially with major expansion plans underway, including a 650,000 square foot building in Houston, and a new location in Austin next year. The institution is in a major “growth mode” right now. MD Anderson has an enormous need for nurses of all kinds – patient care technicians, nursing assistants, etc. – and **struggle to find enough talent**. They couldn’t stress that enough. They also have needs for architects, engineers building maintenance needs, housekeeping, jobs across the board.
- A carpenter’s union interviewed, Central South Regional Council, emphasized the **high demand** for civil carpenters, construction **carpenters**, and scaffold carpenters, anticipating upcoming infrastructure projects in multiple states, and with multi-year projects.

- Intertek, a global quality assurance company, has a **huge need for entry level** petroleum and chemical technicians. They appreciate the partnership they have with WFS but emphasize that they need to return to pre-Covid ways of operating, and actually **get out in the community and on campuses**.
- The Gulf Coast Building and Construction Council have people who want to work but fail because they **don't have the basic math skills** required.
- LyondellBasell also talked about workers' **lack of critical skill sets**, and also noted the lack of understanding in high schools about career pathways.
- HCA Healthcare feels that partnering with WFS is critical to the work they are doing but that the **talent needed** is not necessarily coming through Workforce Solutions.

III. REGIONAL ECONOMY

Dr. Ray Perryman Presentation Summary

THE TEXAS ECONOMY is likely to continue to be a **growth leader**, and the greater Houston area is also projected to see **notable expansion**.

1) The Greater Houston area is projected to generate about **1,000 jobs per week**. The total demand for workers is comprised of **two components**:

- New jobs associated with economic growth, and
- Additional employees are needed to **replace** those who retire or leave their positions for other reasons.

2) Replacement needs **increase the total demand** for workers in the area by about an **additional 40%**.

3) The area will remain a major player in the **energy sector**, both from traditional and emerging sources.

- Recent projections from the US Department of Energy indicate that there will be a need for **increased oil and gas production** in the coming decades.
- The Texas Gulf Coast is a site of crucial refining, chemical, LNG, and related export facilities.
- The region is also an important center for renewable sources including emerging hydrogen and carbon capture initiatives.

4) Another **key industry group** for the region is **Life Sciences**.

- The industry is **growing rapidly** with increased needs driven by an aging and less healthy population.
- The recent announcement that Texas has landed one of the ARPA-H sites will also enhance the **growth trajectory** of the Life Sciences in Texas. A collaborative effort was needed to bring ARPA-H to Texas, and Greater Houston was an important part of the decision to locate in the state.
- ARPA-H will generate additional research and related activity in the area's large medical complex.

5) Regional ports are also a **key aspect** of future expansion.

- Activity at Port Houston and private terminals and facilities at the Houston Ship Channel continue to not only lead to a **substantial increase in activity** in the regional economy, but also facilitate hundreds of millions in gross product by Texas firms which import and export.
- A recent study estimates that about **18.6%** of Texas gross product is linked to the Port and its role in exports/imports.
- Infrastructure enhancements will lead to **further gains** in the future.

6) Space-related activity is another smaller, but still **important driver** of future activity.

- NASA and private-sector firms are collaborating on important initiatives.

7) Given these growth expectations, **workforce development will be even more important in the future.**

- **Long-term demographics** will contribute to **shortages**, though Texas is in a better position than most states.
- The aging of the large baby boom generation continues to **affect the labor market**, and falling birth rates will contribute to future shortages.
- There are about 1.4 million fewer people under the age of 18 in the United States than there were 10 years ago. The **Texas population is notably younger** than the national average, however, and has seen expansion in the number of individuals under age 18.

8) **Literacy is a major challenge.** Literacy Levels 3 and above are generally consistent with being able to perform some type of technical or professional labor, but many adults lack the basic capacity to be a part of the skilled workforce.

- The percentage of the population with **literacy skills** at or above Level 3 is 40% in Texas, significantly lower than the national rate of 46%. **In Harris County**, the rate is **only 37%**.
- Improving literacy rates can be a **crucial aspect** of enhancing workforce preparedness, with benefits for both individuals and the economy.
- **Training programs** to enhance skills can help prepare residents for better job opportunities, generating economic benefits.

9) Access to **higher education** and training is also **essential**.

- In many cases, affordability is an issue.
- In Texas, the **fastest-growing** population group, **Hispanics**, comprises the **majority** of the school-aged population, but Hispanic households hold a relatively **small percentage of total wealth**.

Economist Dr. M. Ray Perryman

The Perryman Group

It's absolutely essential that you work as a region. It's absolutely essential that you do not view yourselves as silos in the middle of this place.

Probably the single most critical thing is, educate your workforce. If you can create an environment where they (business) can be confident they have workers, they'll come.

...the accomplishment is the ability to market a bigger workforce, something essential for economic growth.

Dr. Perryman is a renowned economist, and his firm, The Perryman Group, has served more than 2,500 clients -including 10 cabinet departments, over half of the Fortune 100, two-thirds of the Global 25, and the largest technology, energy and financial institutions in the world. He received his Ph.D. in Economics from Rice University, and has been honored by the Texas Legislature, The International Economic Council, among others. He is currently a Senior Research Fellow of the IC2 Institute of the University of Texas, and a Distinguished Professor of Economic Theory and Method at the International Institute for Advanced Studies.

Following are recent syndicated newsletter articles by Dr. Perryman:

- *Output by the Numbers* – August 30, 2023
- *Jobs by the Numbers* – August 16, 2023
- *What Recession?* – August 2, 2023
- *Working* – July 12, 2023
- *People* – July 5, 2023
- *All of the Above* – April 26, 2023
- *The Outlook for the Texas Economy* – June 9, 2023
- *Make that Eleven* – March 22, 2023
- *The Best Investment* – March 13, 2023
- *Jobs! Jobs! Jobs!* – January 25, 2023
- *One Million and Counting* – November 30, 2022

OUTPUT BY THE NUMBERS August 30, 2023

Simply stated, gross product is the final value of all of the goods and services produced in an area. It's a widely used measure of the health of an economy, and the US gross product numbers are always worthy of headlines.

Although examining which industries are gaining or losing jobs provides a very good perspective on one aspect of performance, it's not the whole story. **In some industries, only a few workers can generate large amounts of output.** For example, a refinery can produce billions in value of fuels with relatively few employees. A sophisticated manufacturing facility might also use robotics, sensors, and artificial intelligence to generate products with fairly low levels of human intervention. Once an oil or gas well is drilled, its production creates substantial value compared to the comparatively small amounts of time required to monitor and maintain it.

Our firm has conducted thousands of economic impact studies, and when you consider the dynamic responses of the economy, **the multiplier effects of a few jobs** in a refinery, for example, are far larger than those in a restaurant. In many cases (such as manufacturing), capital-intensive industries characterized by high worker productivity and, hence, **compensation may generate extensive business activity up and down the supply chain (as well as related consumer effects) even though they may employ relatively few people directly.** Another consideration for some of these sectors is that they are "basic" industries, meaning that they draw money into an area from outside, enhancing overall prosperity.

Over the next five years, we are projecting that **the mining sector (largely oil and gas in Texas) will generate about 20% of the overall gain in inflation-adjusted gross product.** Professional and business services contribute nearly 17%, with manufacturing adding another 15%. **Note that in terms of job gains, however, mining adds only 2% of the state's total increase, with less than 5% for manufacturing. The large professional and business services industry group is forecast to be the source of almost 20% of net new jobs.**

Other industries contributing a notable share of output growth include real estate and rental/leasing (with almost 10%), health care and social assistance (7%), and retail (6%). Information, the public sector, and finance and insurance each come in around 5%.

One reason the Texas economy is so resilient is the combination of industries located here, including a broad spectrum of both labor-intensive and capital-intensive segments. The state is certainly not immune to external challenges but is much better equipped to deal with them than many areas.

JOBS BY THE NUMBERS August 16, 2023

Texas is experiencing record-breaking job growth across various industries and regions, with projections indicating a gain of 1.3 million new jobs by 2027 – a 9.5% increase from 2022. Key sectors driving this growth include professional and business services, healthcare, social services, accommodation and food services, and retail trade. Health care and social services are expected to grow the fastest, followed by mining and educational services. Despite potential challenges, Texas remains well-positioned for diverse economic opportunities.

Texas continues to shatter records for new jobs. The expansion has been broad based, both in terms of industries and geographic areas. Our latest projections call for notable employment gains over the next five years, though the pace will vary along with external conditions.

By 2027, the level of employment in Texas is forecast to rise from 13.9 million in 2022 to 15.2 million. That's a gain of some 1.3 million net new jobs and a total increase over the five-year period of 9.5%. (Note that we use the wage and salary measure of employment, which does not include proprietors.) Let's briefly examine our latest projections by industry group.

Almost one in five net new positions over the next five years is likely to be in the professional and business services industries. These firms provide specialized services such as legal advice and representation, accounting, architectural work, engineering, design, computer services, and consulting. The segment also involves businesses that manage other companies or support day-to-day operations of other organizations.

Health care and social services industries are expected to generate about 18% of new jobs over the next five years, while accommodation and food services accounts for about 13%. Retail trade is forecast to create over 9% of overall gains, while the public sector and other services segment each contribute about 6%. Notable increases are also projected for transportation and logistics as well as wholesale trade, each of which adds almost 5% to overall growth.

Regarding industry groups that are increasing at the fastest pace (as opposed to generating the most net new positions), health care and social services tops the list, with a total employment gain over the next five years of almost 15%. Strong rates of increase are also expected in the mining industry group (mostly oil and gas in Texas) and educational services (among others).

Several industries are less likely to be the source of large overall increases (though some are relatively small). The utilities, agriculture, information (which is largely publishing and media), real estate and rentals, and arts and entertainment segments are all projected to see increases of fewer than 18,000 jobs over the next five years (with some much lower).

As with other highly developed economies, Texas employment growth is concentrated in services-oriented industries, but manufacturing is also expanding at a healthy pace. Our projections indicate an increase in the number of manufacturing jobs of almost 7% over the next five years. One aspect of this expansion is the emerging importance of life sciences products.

The diverse and dynamic Texas economy is certainly not immune to national and global challenges, but the state is well positioned to generate opportunities across a broad spectrum of industries.

WHAT RECESSION? August 2, 2023

Summary: Positive economic indicators, including job gains and previous efforts by the Federal Reserve to control inflation, have boosted confidence and reduced concerns of a recession, largely due to decreasing inflation without labor market disruptions. This article explains the challenges of managing the economy and the importance of curbing inflation.

While we're not out of the woods, opinions about the likelihood of recession are shifting away from the doom and gloom which has been prevalent over the past year. I have always felt that the talk was overblown, and that the US economy would prove to be resilient even in the face of the action the Federal Reserve has taken to slow inflation.

I have repeatedly put the odds of a downturn at 35% or less from the outset. Most analysts thought a downturn was virtually certain, with one prominent and respected group putting the odds at 100% (I couldn't resist pointing out that there wasn't a 100% chance of anything in our complex economic universe). Recently, month after month job gains even as target interest rates reached 22-year highs have led a growing number to become a bit more optimistic.

The Federal Reserve has a dual mandate - to keep inflation low and employment high. Things were going pretty well until the pandemic. Between massive stimulus packages which increased demand and supply chain problems which made products hard to get, inflation became a major concern. In response, the Fed rapidly increased target interest rates and shrank its balance sheet to slow the economy and reduce inflationary pressures.

It's a difficult challenge to try to manage the US economy. It's a lot more like steering and braking a cruise ship than a sports car, and there are inevitably lags between actions and results. The urgency was justified; if people begin to assume that inflation will persist, it can become self-fulfilling and self-perpetuating as price increases become baked into contracts and wage negotiations.

Recently, a poll released by the National Association of Business Economists showed that 75% of its forecast panel no longer expect a recession in the coming year. In addition, the non-partisan Congressional Budget Office has backed off from its recession projection. Many prognosticators from various financial institutions have also backed away from their expectations of decline. Even the staff of the Fed itself now anticipates a notable slowdown, but no recession.

The reason to be encouraged is that inflation is slowing markedly without major disruptions to the labor market. Unemployment remains low, though job openings are falling somewhat, and fewer people are quitting their jobs (a sign that they are less sure that they will be able to go out and immediately get another, better position). It's good news that some of the overheating in the labor market is calming.

It's still relatively early in the battle against inflation, and there are clearly some risks to be dealt with (a topic for another day). Nonetheless, things are looking up.

WORKING July 12, 2023

Summary: The United States has a record number of prime working-age individuals (25-54) and many job openings, but also labor shortages. The high job turnover during the pandemic has become a "Great Reshuffling", and a shortage of labor. Prime working age groups have rebounded while those aged 55 and over are retiring, and because of this long-term shortages are expected.

The number of prime working age persons (those aged 25 to 54) in the United States has never been higher. Simultaneously, there are labor shortages and about 9.8 million job openings. Various factors have been blamed, including the "Great Resignation" and low labor force participation rates.

The phrase Great Resignation originated to describe the perception that an unusually high number of people were leaving their jobs during the pandemic. In 2021, a record number of Americans voluntarily quit their jobs (47.8 million, excluding those who retired or transferred within a company). However, most individuals who quit were actually just changing jobs; the size of the workforce reached pre-pandemic levels by the spring of 2022 and has continued to rise. What we really saw was a Great Reshuffling.

For the **labor force participation rate, which is simply the number of people working or seeking work divided by the working-age population**, it's important to look beyond the top-line number. In February 2020, just before the pandemic, the labor force participation rate stood at 63.3%. It had been generally falling for about 20 years from a peak of 67.3%, though it did flatten out through the mid-2010s and had even risen modestly prior to COVID-19.

Currently, the overall participation rate remains slightly below its pre-pandemic level. For prime working age ranges (25-54), however, it is now well above where it was in February 2020, with the highest rate among men aged 35-44 (90.3%). Importantly, the prime working age group of females is at an all-time high, thus overcoming the COVID challenges stemming from massive shutdowns in the service sector and school-age children being at home (both of which disproportionately affected this segment of the workforce).

The participation rate for those 55 and over remains below pre-COVID-19 levels, and workers in this age cohort number about 524,000 fewer than before. However, that's only 0.3% of the US civilian labor force. The pandemic accelerated trends already in place for this age group, and many have likely permanently retired (some earlier than they had originally planned).

It's important not to read too much into the overall participation rate. By definition, **lower rates of labor force participation are likely as the younger segments of the baby boomer generation continue to retire** but remain in the denominator of the participation rate calculation). It's just arithmetic.

As the economy slows, immediate labor shortages may become less noticeable (although the long-term pattern will be tight due to lower population growth). Moreover, it's probable that some additional people will be attracted back into jobs. **Nonetheless, while Texas has less of an issue, demographics are not moving in our favor.**

PEOPLE July 5, 2023

Texas now has the largest Hispanic population (40.2%), surpassing non-Hispanic whites at 39.8%, and the population of youth is second only to Utah. Making education a priority is crucial for future success, as is improving opportunities to postsecondary education - especially for Hispanics, who hold a much smaller share of wealth compared to their population.

Texas reached a notable milestone according to the latest release of US Census Bureau population data - the Lone Star State's Hispanic racial/ethnic group is now the largest. According to the July 2022 estimates, Hispanics comprise 40.2% of the population, while the second largest group (non-Hispanic white) is 39.8%. The state is also adding almost 1,300 people a day.

Note that Hispanics can be of any race (or multiple races), and 59.8% of the state's population is counted as not Hispanic. The Black or African American (but not Hispanic) population is now 12.5% of the total, a share which has been slowly increasing. The Asian group has also increased modestly to 5.5%.

Other Census data released relates to the percent of the population 18 and older and median age. **Texas is second only to Utah in the youth of its population.** In the United States, 21.7% of the population is younger than 18. In Utah, the share is 27.6%, and in Texas, it's 24.8%. Other states with high proportions of youth include Nebraska, Alaska, South Dakota, Idaho, and Oklahoma. At the other end of the spectrum are many of the New England states, with Vermont having only 17.7% young people.

There you have it! **A large and well-trained workforce is the currency for long-term economic expansion, and Texas has young people in abundance.**

The key to success is ensuring adequate investment in education for the state's greatest resource - its young people. While many areas struggle with aging populations and a lack of workers, Texas will be in a much stronger position. However, preparation for the jobs of the future is imperative, from both individual and societal perspectives.

As with all areas, Texas students lost ground during the pandemic. While faring better than most in terms of the setback, there is much work to be done and resources are crucial. Supporting schools is an investment in the future for all of us.

Access to opportunities beyond high school will also be critical, as will affordability. **One factor is that the Hispanic share of total wealth in Texas is notably smaller than the group's proportion of population.** Although the situation is improving, I estimate that Hispanics hold about 9-10% of wealth compared to a share of population of over 40% (and well above 50% of the school-aged group, a percentage that is rapidly expanding). **Assuring access and educational excellence is essential.**

Texas is well positioned for the future with a large and expanding group of young people compared to many areas.

“ALL OF THE ABOVE” April 26, 2023

Wind capacity in Texas more than tripled, and solar capacity increased significantly, ranking the state first in the US for installed wind capacity and second in solar capacity. These green energy gains have reduced emissions and kept electricity prices attractive. However, the intermittent nature of wind and solar power requires support from other energy sources, primarily natural gas, to ensure reliable electricity supplies. Dr. Perryman notes the need for a diverse energy strategy.

While it is widely known that Texas is a key producer of oil and natural gas, **many are unaware that the state is also a leader in green energy.** The installed capacity in renewables has been growing at a rapid pace, and, barring artificial obstacles, this pattern will likely continue.

Globally, renewable capacity grew from less than 1.6 million megawatts (MW) in 2013 to nearly 3.4 million in 2022. In the United States, wind and utility-scale solar power expanded by about 328% over that period. In Texas, wind capacity more than tripled, and solar capacity went from almost none to more than 8,820 MW.

Texas ranks first among US states for installed wind capacity by a wide margin. In 2021, the state's capacity was 35,969 MW, more than all but four countries (China, the US, Germany, and India). Texas is also adding more than any other state, with an increase of 3,343 MW in 2021. Wind supplies about one-fifth of the state's utility-scale generation, a substantial share though well below the almost 50% provided by natural gas.

Moreover, Texas has 8,820 MW of utility-scale solar capacity, second only to California with 13,579 MW. However, Texas is increasing solar facilities much faster of late, and the differential will narrow or disappear if that momentum persists. When small-scale facilities are included, Texas solar capacity nearly doubled in 2021, rising from 5,987 to 10,329 MW and accounting for about 3% of the state's total electricity generation.

These gains in green power have reduced emissions significantly, which is a critical benefit. They also frequently help to keep prices attractive. On a breezy and mild spring day, wholesale electricity prices can drop to extremely low levels.

One potential downside of this expansion is the intermittent nature of wind and sunshine, which can cause problems in assuring reliable electricity supplies under adverse weather conditions. Although batteries are being installed at a notable pace and the related technology is improving, there are not enough of them to bridge the gaps (nor will there likely be for quite some time). Consequently, we must also support the responsible growth of base capacity from other fuels (primarily natural gas) - an "all of the above" strategy that recognizes the realities of a dynamic and growing population and economy with a solid footing in many power-intensive sectors.

In addition to its widely recognized energy resources resting deep under the soil, Texas has abundant wind and vast expanses of vacant lands where the sun shines with great regularity. Strides are also being made in hydrogen and other emerging energy sources. We will need all of them to meet our long-term needs, and policymakers need to be aware of this incontrovertible fact.

THE OUTLOOK FOR THE TEXAS ECONOMY June 9, 2023

Dr. Perryman says that despite current economic challenges, Texas has shown strong performance, with an annual job growth rate higher than the national average. We continue to attract corporate investment and will add 1.3 million new jobs by 2027 – primarily in professional services and healthcare. Our diverse industrial base and thriving oil and gas sector will help Texas maintain momentum.

It goes without saying that there's a lot going on in the economy these days. The United States (and most of the rest of the world) is dealing with high (though moderating) inflation, rising interest rates, struggling industries and markets, geopolitical tensions, and a host of other uncertainties. Nonetheless, I remain optimistic regarding the potential for growth, although the path will probably not be as smooth as we would hope.

For Texas, **recent performance has been strong**. Over the past year (ending in February, which is the latest data available), the state gained 604,800 net new jobs. That is an annual employment growth rate of 4.59%, significantly higher than the corresponding US rate of 2.91%. The professional and business services segment is leading the way in terms of the numbers of new jobs, and **all major industry groups saw job gains in Texas** over the period.

In addition to this momentum, the state continues to attract more corporate locations, expansions, and investments than any other by a huge margin. The ongoing capital commitments and future opportunities are substantial. We also see an influx of people, including many highly skilled professionals. Things are beginning to slow to some extent, but positive expansion is anticipated.

Though the state's industrial base is far more diverse than in decades past, it helps oil and natural gas development, and production has been on an upswing of record proportions. Uncertainty regarding global economic performance and, thus, demand for fuels is a dampening factor for price levels, but China's reopening and OPEC's surprise production cuts are a useful counterweight. It appears as if trading will continue in a profitable range going forward.

Over the next five years, we are projecting that Texas economic output (real gross product) will expand at a 3.49% annual pace, with mining (oil and gas) playing a dominant role. We are also forecasting a gain of about 1.3 million net new jobs through 2027, an increase of 1.83% per year. The largest sources of employment growth are projected to be the professional and business services industry group, as well as health care and social assistance.

Texas obviously cannot fully escape the current challenges. With the state providing \$1 of every \$6 in US exports, the performance of the international economy can't help but notably affect overall performance. Similarly, Texas firms and consumers must also face essentially the same inflationary pressures and higher borrowing rates as those in other areas. Despite these risks, Texas is well positioned to deal with what comes and emerge with momentum. The state's multi-faceted industrial mix and enormous natural resource endowments will help to diffuse the worst of any downturn that may come our way.

MAKE THAT ELEVEN March 22, 2023

Texas has won Site Selection magazine's "Governor's Cup" for the 11th consecutive year, recognizing its leadership in attracting corporate locations and expansions, with 1028 projects across numerous industries and regions. Dr. Perryman discuss our assets – a growing population, natural resources, and favorable tax conditions, and the need for continued investment in education, infrastructure and economic development to sustain this momentum.

Texas continues its dominance in attracting major corporate locations and expansions, winning Site Selection magazine's "Governor's Cup" for an impressive eleventh consecutive year. The Cup is awarded to the state with the most projects involving a capital investment of at least \$1 million, 20 or more new jobs, or 20,000 square feet of new construction.

Texas landed 1,028 projects in 2022, down slightly from 2021's record-setting 1,123. Second place was Illinois with 487, followed by Ohio (479), California, (375), Georgia (312), New York (309), and North Carolina (256). In other words, Texas lapped the field. On a projects-per-capita basis, Kansas was the winner and Texas ranked seventh.

A variety of industries and regions of the state are represented on the list of Texas' 25 largest projects. Several are chemicals and plastics or energy investments along the coast, including five with capital investments exceeding \$4 billion each (two with over \$8 billion). Another Gulf Coast Energy project (\$1.7 billion), Electronics in Sherman (\$5 billion), IT and Communication in Abilene (\$2.4 billion), and Metals in Amarillo (\$1.5 billion) comprise other projects with over a billion-dollar capital investment.

Amarillo captured two additional major projects in Food and Beverage, and IT and Communication projects are underway in Temple, Pflugerville, Corsicana, and San Marcos (a film studio). Several other industries and areas are represented, including Odessa, Georgetown, Hutchins, Sulphur Springs, Midlothian, Cedar Hill, Denton, and Irving. The bottom line is that people and businesses in communities across Texas are seeing enhanced opportunities due to this recent infusion.

Texas has a number of advantages, from a young and growing population (including substantial immigration) to a location with natural resources ranging from oil and gas reserves to ports. Taxes and many other types of costs are lower here, both for individuals and firms. While the state relies on a property tax which falls heavily on capital-intensive industries, there are economic development tools such as value limitation agreements which have been utilized (and will hopefully be extended by the Legislature). Local economic development professionals across the state work diligently to enhance prosperity, and their efforts are bearing fruit.

Despite past success, corporate location and expansion decisions are always forward looking, and continual improvement and vigilance is necessary. Billions in funding are already committed to investments in highways, water supplies, and other infrastructure. Adequate education funding is also essential, as schools deal with pandemic fallout, large numbers of English learners, and rapid growth in some areas. While Texas has long dominated this particular ranking, there are others in which the state does not fare as well.

Texas is well positioned to keep the momentum going, but there is work to be done.

THE BEST INVESTMENT March 13, 2023

Dr. Perryman stresses that investing in education is crucial for individuals, the economy, and society. It leads to lower unemployment, higher earnings, and job satisfaction. Moreover, every \$1 investment yields a \$56.76 lifetime economic benefit. However, Texas must invest in quality public education to prepare its workforce, as long-term trends suggest continued worker shortages.

It goes without saying that education is extremely beneficial to individuals, the economy, and society. It brings lower unemployment and higher earnings. Options and opportunities are much more plentiful for those with high school diplomas and post-high school training. Available jobs are not only better paying, but often more personally satisfying. From the perspective of the economy, education is crucial to workforce preparedness and, therefore, prosperity. Long-term demographic trends are not working in our favor, and worker shortages will persist for decades. Texas is better positioned than many states due to our younger population and in-migration, but only if students are well prepared. Excellent public education is the single most important factor in securing our future prosperity.

Adequate resources are essential to quality public education, and State funding for schools yields unparalleled economic benefits. We recently estimated the magnitude of returns on incremental State investment in public schools, including spinoff and productivity gains.

We estimated that every incremental \$1 the State invests in public education yields a total lifetime economic benefit of \$56.76. The major channels of impact include direct private-sector benefits from student productivity and earnings (\$17.24) and multiplier effects on incremental production (\$31.38). Each dollar yields \$26.21 in gross product and \$16.12 in personal income.

There are also benefits in the form of additional long-term tax revenues (\$6.99 for each \$1 invested) and reduced costs from lower outlays for health care and various social services (\$1.15). Thus, governmental entities receive more than \$8 for every \$1 expended. That's some return!

These benefits dwarf other types of public outlays. For example, transportation infrastructure, which is both highly beneficial and essential to the economy, yields an estimated economic return per dollar invested of \$8.01. They're also well above those for any private-sector industry, where the maximum is \$17.81 (less than one-third of the public education return).

This timing is particularly crucial to fund public schools, as students are still recovering from the pandemic. As was true throughout the country, Texas students lost significant ground, and it will take time and resources to bridge the gaps. The state's large proportion of students who are English learners or are economically disadvantaged also brings additional challenges. Given the funds available to the State at present, there is no excuse for deficiencies or delays.

The primary reason to provide sufficient resources to Texas public schools is for the students, both now and when they enter the workforce. They deserve nothing less than the opportunity for success and wellbeing. Beyond that, investment in education is the ultimate key to sustainable prosperity, not to mention the best investment by far in our economic portfolio. It's a "no brainer."

JOBS! JOBS! JOBS! January 25, 2023

Texas led the way in job growth in 2022, gaining 650,100 net new jobs (up 5%), and ahead of California and Florida. Sustaining this kind of growth may be challenging, but Texas is still expected to have healthy economic growth, likely in the 2.0-2.5% range over the next few years.

The 2022 employment numbers have just been released, and Texas set the pace by a significant margin. Over the year, nonfarm payroll employment increased in 42 states and was essentially unchanged in eight plus the District of Columbia according to the US Bureau of Labor Statistics. Texas gained 650,100 net new jobs, while California rose 621,400 and Florida was up 440,000. The largest percentage increase also occurred in Texas (+5.0%), followed by Florida (+4.8%), and Oregon (+4.2%).

Looking at net job growth since February 2020 (the month before the pandemic), the United States has gained about 1.24 million jobs and Texas has gained around 740,000. In other words, some 60% of the net employment increase in the entire country has been in Texas. I've seen a lot of numbers in my time, and that one is pretty remarkable!

There are several factors contributing to the state's strong growth. One is the continuing pattern of people moving to Texas. Whether you look at Census data or other indicators such as the U-Haul Growth Index, it is obvious that people are leaving states such as California, New York, and Illinois and coming to Texas. Many of these individuals are highly skilled professionals who are helping to overcome the acute worker shortages and enabling future gains.

Another significant phenomenon is the ongoing momentum in activity in the oil and gas sector. There are about 100 more rigs running in Texas than a year ago and output is at record levels. Not only does that mean jobs in major production areas, but also in other industries and locations up and down the supply chain. Add to that the ongoing gains from the major corporate locations and expansions and record volumes of cargo at the ports in the state, and the stage is set for notable growth.

Even with these positive attributes, however, it would be difficult (likely impossible) to maintain a 5% growth rate as the recovery matures. In fact, the monthly pace has recently slowed considerably. We've already captured much of the bounce from reopening the economy and resuming travel and other activity. In addition, a potential national recession continues to be a concern, although I think there is a lot of overreaction and any downturn we might see will be relatively mild and brief. The layoffs in the tech sector will also ripple through Texas.

Even with these notable headwinds, the positives should far outweigh the negatives going forward. We are projecting healthy growth for the state economy over the next few years, and Texas will remain one of the leaders among all states. Having said that, job growth in the 2.0-2.5% range is more probable than sustaining the recent surge.

ONE MILLION AND COUNTING November 30, 2022

In September 2022, Texas had a record-breaking 1,026,000 job openings, with Texas showing nearly four times the growth in job openings compared to the entire United States. The abundance of job opportunities is good for job seekers, it poses challenges for businesses. Dr. Perryman emphasizes the need to invest in education and training for its growing workforce needs.

Job openings in Texas as of September 2022 reached an all-time high at 1,026,000. According to data from the US Bureau of Labor Statistics (BLS), the state has once again topped one million openings after a few months below that level (initially reached in June 2022).

Last September (2021), there were 855,000 openings in Texas; the current number represents a sizable gain. For the United States, the increase was much smaller (from 10,673,000 in September 2021 to 10,717,000 this year). Stated differently, the overall growth in openings in Texas over the past year is almost four times the number for the entire country.

Nationally, the number of job openings increased from August to September by 437,000. Texas accounted for the largest increase of any state (+96,000). Michigan (+58,000) and Virginia (+40,000) also saw significant escalation. Note that these estimates are seasonally adjusted, thus accounting for typical variations.

BLS also tracks the job openings rate, which is the number of job openings as a percentage of the sum of employment and job openings. The US level is 6.5%, and Texas is 7.0%. There are 16 states with rates above 7.0%. Among the highest are Alaska, Wyoming, and Virginia. Among other large states, California is 6.1% and Florida is 6.0%.

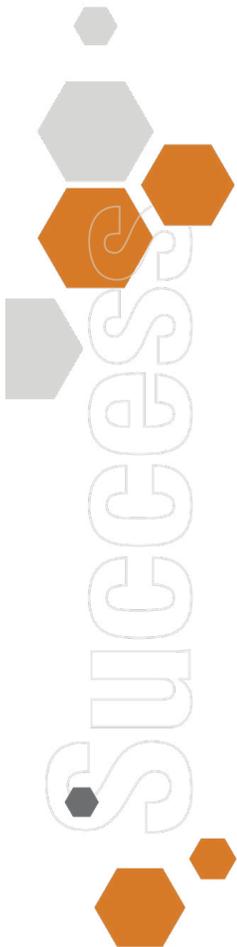
It's not necessarily a "win" to be high on the job opening roster. While plentiful open positions are beneficial to individuals looking for employment (assuming they have the needed skills), it's a problem for businesses. Not only are expansion plans jeopardized, but so are normal operations. They are generally a sign of strength, but also a harbinger of capacity limits going forward. Texas is blessed with an expanding pool of current and potential future workers but must invest in education and training to transform this resource into reality.

In Texas, there are almost twice as many job openings as there are unemployed persons. The Texas unemployment rate in September was 3.8%. In some metropolitan areas, it was below 3.0% (such as Amarillo (2.8%), Austin-Round Rock-Georgetown (2.8%), and Midland (2.9%)).

Economists generally consider 4.0% to be "full employment" which is the level of maximum jobs with the economy still able to function efficiently. When it goes much below that, issues arise such as not being able to fill jobs promptly.

A million open jobs across the state is a two-edged achievement. It's no doubt a sign of economic vitality and dynamism, but also of the potential for worker shortages. Having a large cadre of available jobs is far better than rampant unemployment but can become problematic. Thus far, Texas has successfully navigated the tight labor market conditions and continued to add jobs at a notable pace. To sustain this pattern will require concerted action.

IV. REGIONAL GAP ANALYSIS



GULF COAST WORKFORCE BOARD

Regional Gap Analysis

January 31, 2024

Gulf Coast Workforce Board

Regional Gap Analysis

January 31, 2024

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Executive Summary

The Gulf Coast Regional Workforce Board has a clear mandate: To create and promote world-class work-based learning programs and accelerate promising practices in the exploration of pre-apprenticeship and apprenticeship programs.

We were pleased to receive a grant from the Texas Education Agency to investigate what’s working in our region in pursuit of this mandate, specifically in the fields of education, health care, and construction, given their high regional growth, and the potential for upwardly-mobile jobs for our communities. We will call these “focus sectors.” We also identified existing gaps and opportunities for improvement. The following report provides a summary of those findings along

with the implications for where we go from here – with regard to each of the focus sectors and overall.

The following report uses stakeholder interviews, national and regional research, and local data to tailor a framework for exemplary workforce development systems. Building on the Gulf Coast Tri-Agency framework for workforce development, we proposed to measure the selected focus sectors – and the region’s workforce development systems in general – against six elements:

1. **Marketing and Recruiting:** *Effective systems are in place to recruit, market, on-board and match diverse job-seekers to upwardly-mobile sectors.*
2. **High-Quality Learning:** *Job-seekers have access to high-quality, competency-based learning that includes job-embedded training and is aligned to industry-recognized standards and/or certification.*
3. **Gap Closing and Equity:** *Industry stakeholders and educational institutions have explicit approaches to close gaps for job-seekers furthest from job-readiness, including foundational and transferable skills.*
4. **Uptake and Retention:** *Industry stakeholders prioritize helping job-seekers obtain and retain permanent positions after initial training, pre-apprenticeships, and/or apprenticeships.*
5. **Mobility:** *Industry stakeholders offer explicit opportunities for job-seekers to advance within and across sectors and to build wealth.*
6. **Tracking and Course Correcting:** *Industry stakeholders and educational institutions have high quality, shared data systems to measure effectiveness of the entire system aligned to the competencies above.*

As we explain, the Gulf Coast is considered a “resource-rich, systems-poor” region, meaning that despite being well-resourced financially, educationally, and in terms of human resources, the region lacks systems in place to capitalize on these critical assets. Therefore, many of our recommendations involve directing regional resources where they can have the largest impact; developing or formalizing systems along each of the above elements; then scaling those systems to meet the needs of job-seekers, workers, and employers. In general, we find that the lack of systems – rather than the more formidable lack of resources – is both a key gap *and* a key bright spot for regional workforce development.

Then, in what follows, we focus primarily on identifying where systems are lacking, sparse, or unscaled and provide recommendations to use regional resources to build and formalize systematic programs to identify job-seekers, match them with the right career pathways, remove barriers to entry, build skills and provide needed certifications, and grow upwardly mobile pathways throughout workers’ careers.

We will delve into more detail on our findings throughout the report. But during our research, several key gaps emerged that, we believe, play outsized roles in holding the Gulf Coast region

back from optimal workforce development:

- **Key partners are not resourced for success in the medium- and long-term.** Despite the resource-richness of the Gulf Coast region, resources are not always directed in ways that support exemplary workforce development. An effective workforce development system requires four key partners to work together to ensure its success: Educators and Certifiers (K12/HE); Employers; Government; and, Industry and Workforce Advocates and Experts. In general, and across all three systems, there is a lack of resources and capacity for partners to see themselves as short, medium, and long term developers of talent. Building a healthy workforce system requires time and expertise, and more investment is needed across the board.
- **The system lacks incentives to and resources to truly “look around the corner” to prepare job-seekers for the future.** Currently in the Gulf Coast region, the vast majority of school-based and job-embedded training systems are rooted in legacy curricula – which is to say, as far as job preparedness goes, most programs are offering what they have always offered. In a landscape dominated by emerging technologies and innovations, a legacy approach to curriculum development will not produce a workforce with the skills employers demand.
- **There is an overall lack of investment in job-seekers furthest from readiness.** In both K12 and HE settings in the Gulf Coast region, perverse incentives exist for educators and industry leaders to focus on training and placing job-seekers who are already more prepared for the workforce. Such focus necessarily means that resources are diverted from job-seekers who are furthest from readiness, who require more time and resources to prepare

Ultimately, although we made a multitude of both broad and narrow recommendations in what follows, we hone in on three overarching recommendations for the Gulf Coast region, each of which will go far in addressing the gaps outlined above and explained throughout the report:

- Lift up promising practices in each sector and find ways to scale and replicate them in the other sectors.
- Build resources and capacity with innovation and vision.
- Address broad, systemic gaps and implement sectoral recommendations.

1) Introduction

The Gulf Coast Regional Workforce Board has a clear mandate: To create and promote world-class work-based learning programs and accelerate promising practices in the exploration of pre-apprenticeship and apprenticeship programs. We were pleased to receive a grant from

the Texas Education Agency to investigate what's working in our region in pursuit of this mandate, specifically in the fields of education, health care, and construction, given their high regional growth and given the potential for upwardly-mobile jobs for our communities. We will call these "focus sectors." We also identified where there are gaps and opportunities for improvement. What follows is a summary of those findings along with the implications for where we go from here – with regard to each of the focus sectors and overall.

The Gulf Coast Workforce board serves a population of more than 7 million or 25% of the state's total population within 13 counties. The region has over 88 school districts, and many options for higher education with 10 universities, 4 health science schools, 18 community college campuses, and numerous proprietary training entities. The region is known for being "resource rich but system poor," and there is a strong need to convene a regional strategy to support a pathways network. The GCWB and its operating affiliate, Workforce Solutions, partner with a diverse array of stakeholders including schools, colleges, local city and county governments, non-profits, and social service providers, as well as the business community and philanthropy, to focus on our shared economic, educational, and workforce needs. We collect and organize local economic data to help employers meet their human resource needs and individuals build careers, so that both can compete in the global economy.

We focus on the high-skills and high-growth areas of healthcare, education, and building and construction, where we have multiple existing partnerships with employers, K-12 systems, post-secondary entities, and public and private partners to offer various services, programs, and opportunities from career exploration to apprenticeship programs. Our purpose is to convene the right persons and entities to create a strategic, regional plan to effectively communicate, collaborate, and coordinate efforts to create a seamless transition from K-12 to post-secondary to employment in meaningful careers in these identified industries. Our goal is to augment a student's education with real world job experience in their area of concentration, so they can build social capital and networks with local employers while "earning and learning."

2) Local Data: A Snapshot of the Gulf Coast Workforce and The Selection of "Focus Sectors"

According to the 2020 Census, the Texas Gulf Coast region had a population of about 7.3 million, or 25 percent of the state's total population. About 65 percent of the region's population was concentrated in Harris County. The region's population has grown about 20% (or more than 1.2 million people) since the 2010 Census, compared to 15.9% growth statewide.

The region is home to four of Texas's fastest growing counties between 2010 and 2018: Fort Bend (30%), Montgomery (29%), Waller (22%), and Chambers (20%) Counties.

As a result of growth in the Gulf Coast region, the regional workforce is also growing quickly, with strong growth in healthcare, education, and construction – all sectors that grow or constrict in ways that mirror broader population changes.

The Gulf Coast region is expected to generate jobs at a 22.4% growth rate, compared to a national rate of 6.5%, with an estimated 145,000 job openings annually between 2014 and 2024. In that time, the region is expected to add at least 700,000 jobs (“Regional Economy”).

This strong rate of job growth, particularly in the sectors reported upon here, highlights the urgency of building a large, qualified job force. By the same token, strong job growth should encourage job seekers that, when they are given access to and support within solid workforce development pathways, they will benefit from a promising job market in their career sectors.

Gulf Coast Regional Demographics

Age

The median age in the Gulf Coast region was 34.5 years in 2019, similar to the state median age of 34.6 years. The Houston-The Woodlands-Sugar Land MSA’s median age (34.3 years) was also close to the state median. Waller (28.9 years) was the youngest county in the region and Colorado (42.9 years) was the oldest “Regional Report, Education, 2022).

An area’s age distribution can reveal specific challenges, particularly with regard to planning and workforce development. A young county, like Waller County, will experience increased urgency with regard to education and workforce development. An older county, like Colorado, may face different workforce issues, like retirement and higher health care costs.

Income Distribution

The Gulf Coast region had a median household income of \$68,140 in 2019, up from \$55,602 in 2010, a 22.5 percent increase. Median household income in Texas, by comparison, was \$61,874 in 2019, up 24.6 percent from 2010. The region’s income distribution finds proportionally more households in the top quintile (33%) when compared to Texas as a whole (29%) (Regional Report, Economics, 2022).

Education

More than 2 million Gulf Coast regional workers did not have a post-secondary degree in 2021, constituting 59.6% of the total workforce. This mirrors national trends showing that at least 62% of Americans over 25 years of age do not have a post-secondary degree. That number rises to 72% for Black adults and 79% for Hispanic adults.

The rate of Hispanic adults without a post-secondary degree is of special significance to the Gulf Coast region, where the share of Hispanic or Latino population rose from 29% in 2000, to 34% in 2010, to 36% in 2017. These figures are particularly relevant for stakeholders deciding how best to conduct outreach to job-seekers and improve access to existing training and workforce development programs – two objectives named in interviews with industry stakeholders.

In the Gulf Coast region and nationally, post-secondary attainment remains strongly correlated with higher earnings. Regional data from 2021 indicate that occupations in the Gulf Coast region requiring at least an associate degree or certificate earned an average of \$5,100 more annually than those requiring less than a postsecondary education. Occupations requiring at least a bachelor’s degree earned an average of \$50,400 more.

Table 1: Occupational Levels and Average Annual Wages by Educational Attainment Requirements, Gulf Coast Region and Texas, 2021

| Educational Attainment | Number Employed, Region | Percent of Region | Average Annual Earnings, Region | Number Employed, Texas | Percent of Texas | Average Annual Earnings, Texas |
|--|--------------------------------|--------------------------|--|-------------------------------|-------------------------|---------------------------------------|
| No Post-Secondary Award | 2,236,505 | 59.6% | \$43,600 | 9,051,532 | 61.8% | \$44,733 |
| Associate Degree or Certificate | 279,792 | 7.4% | \$48,700 | 1,120,514 | 7.6% | \$47,600 |
| Bachelor's Degree | 801,149 | 21.3% | \$94,000 | 2,987,310 | 20.4% | \$88,800 |
| Postgraduate Degree | 441,196 | 11.7% | \$114,100 | 1,509,671 | 10.3% | \$110,300 |

Data from the Texas Comptroller, 2022 Regional Report.

This overview of educational attainment data –particularly as correlated to earnings – is not intended to argue for disproportionate investment in traditional education attainment (i.e. degree-seeking). While closing racial and socioeconomic gaps in educational attainment remains an important pathway to equity, it is increasingly important that we look to more innovative workforce development solutions outside of traditional educational institutions.

Particularly with post-secondary degree-seekers on the decline, the existing correlation between educational attainment and earning should highlight the importance of developing workforce training pathways with ample and continuous training, opportunities for advancement, and high earnings ceilings especially for non-postsecondary degree holders.

Gulf Coast Area Workforce Training Participation

The following tables paint a picture of current CTE programs and participation in the Gulf Coast region. Statewide and within H-GAC, Economically Disadvantaged students *and* LEP (Limited English Proficient) students are more concentrated in the CTE Explorer category and among students who take no CTE courses. This may point to gaps in existing workforce development systems into which poor and LEP students are falling, and an associated need to invest additional resources in these demographic segments – particularly given the high numbers of Hispanic job seekers in the region.

Table 2: CTE Student Participation

| 2016-2022 9 th Grade Cohorts | No CTE Courses | CTE Explorer | CTE Concentrator | IBC Concentrator | CTE Completer | IBC Completer | Total |
|---|----------------|--------------|------------------|------------------|---------------|---------------|-----------|
| Statewide | 11% | 8% | 43% | <1% | 37% | 1% | 2,880,399 |
| GWB | 13% | 8% | 44% | <1% | 35% | 1% | 663,537 |

Data from University of Houston Education Research Center, 2019-2022

Table 3: CTE Student Participation Among Economically Disadvantaged Students

| 2016-2022 9 th Grade Cohorts | No CTE Courses | CTE Explorer | CTE Concentrator | IBC Concentrator | CTE Completer | IBC Completer | Total |
|---|----------------|--------------|------------------|------------------|---------------|---------------|-----------|
| Statewide | 61% | 66% | 56% | 54% | 54% | 54% | 2,880,399 |
| GWB | 61% | 68% | 56% | 47% | 55% | 51% | 663,537 |

Data from University of Houston Education Research Center, 2019-2022

Table 4: CTE Student Participation of Limited English Proficient Students

| 2016-2022 9 th Grade Cohorts | No CTE Courses | CTE Explorer | CTE Concentrator | IBC Concentrator | CTE Completer | IBC Completer | Total |
|---|----------------|--------------|------------------|------------------|---------------|---------------|-----------|
| Statewide | 27% | 27% | 21% | 24% | 16% | 19% | 2,880,399 |
| GWB | 32% | 30% | 24% | 20% | 17% | 16% | 663,537 |

Data from University of Houston Education Research Center, 2019-2022

Table 5: CTE Student Participation by Race/Ethnicity

| | No CTE Courses | | CTE Explorer | | CTE Concentrator | | IBC Concentrator | | CTE Completer | | IBC Completer | |
|------------------------|----------------|------|--------------|------|------------------|------|------------------|------|---------------|------|---------------|------|
| | State | HGAC | State | HGAC | State | HGAC | State | HGAC | State | HGAC | State | HGAC |
| Asian | 4% | 7% | 4% | 5% | 4% | 7% | 6% | 9% | 5% | 8% | 6% | 9% |
| Black/African American | 14% | 18% | 16% | 22% | 13% | 19% | 9% | 12% | 11% | 18% | 9% | 12% |
| Hispanic | 56% | 53% | 56% | 54% | 51% | 49% | 53% | 46% | 52% | 50% | 54% | 50% |
| American Indian | <1% | <1% | <1% | <1% | <1% | <1% | <1% | <1% | <1% | <1% | <1% | <1% |
| Pacific Islander | <1% | <1% | <1% | <1% | <1% | <1% | <1% | <1% | <1% | <1% | <1% | <1% |
| Two or More | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% |
| White | 23% | 19% | 22% | 16% | 29% | 23% | 29% | 31% | 30% | 23% | 29% | 27% |

Data from University of Houston Education Research Center, 2019-2022

Table 6: Higher Education Enrollment and CTE Participation as of 2023

| 2016-2019 9 th Grade Cohorts | No CTE Courses | CTE Explorer | CTE Concentrator | IBC Concentrator | CTE Completer | IBC Completer | Total |
|---|----------------|--------------|------------------|------------------|---------------|---------------|-----------|
| Statewide | 23% | 25% | 43% | 56% | 58% | 62% | 1,609,579 |
| GWB | 23% | 27% | 43% | 60% | 56% | 59% | 370,927 |

Data from University of Houston Education Research Center, 2019-2022

Additionally, CTE completion rates provide useful information when read across other academic achievement data. Among the 2016-2019 9th grade cohorts statewide, 49% had enrolled in a higher education institution as of 2023. Perhaps unsurprisingly, the highest higher education enrollment rates exist among CTE Completers and IBC Completers. While CTE and IBC Completers programs draw higher rates of white job-seekers than any other CTE program, the table above shows that Black and Hispanic students are over-represented in CTE Explorer programs, which enroll less than half as many student participants in higher education.

Growth in the Construction, Education, and Healthcare Sectors

In examining projected workforce growth in the Gulf Coast region through 2026, the sectors of construction, education, and healthcare stand out as high-growth industries with opportunities for high-skill employment.

All three sectors – healthcare, construction, and education – have grown significantly since 2016 and are projected to continue growing through 2026. **Healthcare and Social Assistance**

(27.6%) and Construction (19.2%) outstrip the average growth rate of all other industries (17.4%), with Education (16.1%) lagging only slightly behind.¹

Table 7: Gulf Coast Area Industry Projections 2016-2026, Careers in the Construction Sector

| Industry/Occupation | Projected Annual Employment, 2026 | Projected Change 2016-2026 (%) |
|--|--|---------------------------------------|
| Construction | 255,140 | 19.2 |
| Construction of Buildings | 61,423 | 10.7 |
| Residential Building Construction | 16,310 | 31.4 |
| Nonresidential Building Construction | 45,113 | 4.7 |
| Heavy and Civil Engineering Construction | 60,564 | 26.5 |
| Utility System Construction | 39,550 | 30.3 |
| Land Subdivision | 1,308 | 7.3 |
| Highway, Street, and Bridge Construction | 11,235 | 22.4 |
| Other Heavy and Civil Engineering Construction | 8,471 | 19.2 |
| Specialty Trade Contractors | 133,153 | 20.3 |
| Foundation, Structure, and Building Exterior Contractors | 29,172 | 21.7 |
| Building Equipment Contractors | 57,524 | 19.3 |
| Building Finishing Contractors | 23,220 | 18.9 |

¹ Other top growing sectors include Professional, Scientific, and Technical Services (18.8%); Management of Companies and Enterprises (34.9%); and Accommodation and Food Services (27.9%).

| | | |
|-----------------------------------|--------|------|
| Other Specialty Trade Contractors | 23,237 | 22.3 |
|-----------------------------------|--------|------|

Data from Gulf Coast Workforce Board, Industries Targeted by the Gulf Coast Workforce Board (2019).

Table 8: Gulf Coast Area Industry Projections 2016-2026, Careers in the Education Sector

| Industry/Occupation | Projected Annual Employment, 2026 | Projected Change 2016-2026 (%) |
|---|-----------------------------------|--------------------------------|
| Educational Services | 357,452 | 16.1 |
| Elementary and Secondary Schools | 242,528 | 20.2 |
| Junior Colleges | 24,047 | 12.5 |
| Colleges, Universities, and Professional Schools | 72,033 | 4.0 |
| Business Schools and Computer and Management Training | 1,685 | 11.4 |
| Technical and Trade Schools | 2,729 | -6.8 |
| Other Schools and Instruction | 11,469 | 28.1 |
| Educational Support Services | 2,961 | 43.0 |

Data from Gulf Coast Workforce Board, Industries Targeted by the Gulf Coast Workforce Board (2019).

Table 9: Gulf Coast Area Industry Projections 2016-2026, Careers in the Healthcare Sector

| Industry/Occupation | | Projected Change 2016-2026 (%) |
|---------------------------------|---------|--------------------------------|
| Health Care & Social Assistance | 453,586 | 27.6 |
| Ambulatory Health Care Services | 209,289 | 36.2 |
| Offices of Physicians | 67,311 | 35.8 |

| | | |
|--|---------|------|
| Offices of Dentists | 20,995 | 21.5 |
| Offices of Other Health Practitioners | 16,203 | 27.8 |
| Outpatient Care Centers | 20,292 | 48.4 |
| Medical and Diagnostic Laboratories | 7,594 | 30.5 |
| Home Health Care Services | 71,495 | 42.8 |
| Other Ambulatory Health Care Services | 5,399 | 16.7 |
| Hospitals | 137,380 | 19.7 |
| General Medical and Surgical Hospitals | 102,902 | 17.2 |
| Psychiatric and Substance Abuse Hospitals | 4,224 | 18.0 |
| Specialty (except Psychiatric and Substance Abuse) Hospitals | 30,254 | 29.6 |
| Nursing and Residential Care Facilities | 40,960 | 23.5 |
| Nursing Care Facilities (Skilled Nursing Facilities) | 20,315 | 22.6 |
| Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities | 5,216 | 11.9 |
| Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly | 14,385 | 32.8 |
| Other Residential Care Facilities | 1,044 | -5.3 |

Data from Gulf Coast Workforce Board, "Industries Targeted by the Gulf Coast Workforce Board" (2019).

3) National Research: What We Learned From Existing Frameworks for Workforce Development

We began by grounding our inquiry with national research. In 2016, The U.S. Department of Labor's Employment and Training Administration (ETA) published a framework for successful sectoral workforce development programs based on decades of research. The ETA defines a sector strategy as "a partnership of multiple employers within a critical industry bringing together education, economic development, workforce systems, and community organizations to identify and collaboratively meet workforce needs within a regional labor market" (Sector Strategies Implementation Framework, 2018).

The ETA's Strategy Implementation Framework draws on recent research to advance "five key capabilities" that state and regional workforce partnerships should master in implementing a sector approach. They include:

- **Data-Informed Decision Making.** The organization/partnership uses rigorous data to make decisions about target industries and education and training investments.
- **Industry Engagement.** There is meaningful and continuous involvement of targeted industry sector employers in designing and delivering programs and services.
- **Sector-Based Service Delivery.** All partners are facilitating the delivery of workforce solutions to be responsive to the needs of workers and the targeted industry sector(s).
- **Sustainability and Continuous Improvement.** The organization/partnership is able to measure sector strategy outcomes and has an effective and realistic plan to financially sustain sector work over time.
- **Organizational Capacity and Alignment.** The program has the personnel, policies, vision, and resources in place to continually support sector strategy outcomes.

The Manpower Demonstration Research Corporation (MDRC), a nonprofit and social policy research organization promoting programs and policies that benefit people living in poverty, recently made additional recommendations for employers and local governments attempting to implement effective sector strategies for workforce development (Sector Strategies for Workforce Development, 2023).

The authors of the 2023 MDRC study argue that, in order to most effectively close gaps between job-seekers, sectoral employment programs should:

- **Target sectors and job types.** Successful sector programs help place participants in target-sector jobs. However, helping people obtain any job in the targeted sector is not enough. Programs must focus on specific sub-sectors and occupations that offer quality jobs with high wages and benefits and that are attainable with the training and credentials that they can provide.
- **Provide nonoccupational support services.** While direct occupational skills training in an appropriate field is perhaps the most important component of a successful sector strategy, another important component is providing additional support participants may need to stay in and benefit from a training program. Programs provide support in a range of forms, including gas or bus cards, tutoring, and referrals to organizations that can provide financial, mental health, or substance use support.
- **Ensure equitable access.** All these forms of support serve the overall goal of filling labor market needs while also promoting equity. Labor market opportunities are not evenly distributed. Many people who could be successful in a given field do not have access to it. Addressing occupational segregation—that is, helping people enter their preferred fields when they might have historically been locked out of them due to race, gender, income of their family of origin, or some other factor—may improve economic development and equity alike.
- **Support 21st-century skills acquisition.** General work habits and competencies—such as communication and problem-solving skills—can be as beneficial to participants as job training. Such skills are transportable, are valued by all employers, and can help with career advancement. They also provide a disproportionate benefit to people entering new fields for the first time, such as people from families with low incomes who have never had white-collar job experience.
- **Commit to continual improvement.** Finally, and most importantly, sector programs must cultivate and maintain close ties with employers in the area and engage in some form of continual improvement to ensure their programs are meeting their goals. Any continual improvement efforts should involve programs, municipalities, and employers collaborating to mutually reinforce the goals of training and job placement.

Finally, experts and practitioners agree that, to produce large changes and impacts on existing career pathways, more substantial investments are necessary.

For example, a 2023 study by the American Enterprise Institute, the Brookings Institution, and the Harvard Kennedy School’s Project on Workforce found that modest benefits associated with low funding levels –may discourage more substantial investments in workforce development. But the authors emphasize that, especially when it comes to “disadvantaged worker outcomes,”

only a greater investment in these systems will produce the necessary scope of change (Brent Orrell et al., 2023).

4) A Blueprint for the Gulf Coast: Tailoring an Exemplary Workforce System for Local Application

We analyzed the above data in each of the three focus sectors and identified trends. We also conducted over 23 interviews with experts and leaders in workforce development in education, health care, and construction as well as key partners and advocates at community colleges and in K12 systems.

Throughout our inquiry, we looked for existing bright spots and identified opportunities for change aligned to our mandate: to create and promote world-class work-based learning programs and accelerate promising practices in the exploration of pre-apprenticeship and apprenticeship programs.

We focused on six elements of an exemplary work force system:

- 1. Marketing and Recruiting:** *Effective systems are in place to recruit, market, on-board and match diverse job-seekers to upwardly-mobile sectors.*

In an effective workforce development system, job-seekers should have access to clear, concise and motivating information about entry into the job market most aligned with their skills and interest. An exemplary system has formalized, systematic ways to expose K12 students to various sectors and provide information on the educational achievement necessary for entry and advancement. Non-K12 students should have one-stop access to similar information tailored to their needs, along with access to people who can bring that information to life. Industry leaders should weigh in on these educational materials and actively engage potential job seekers directly. Particularly for non-K12 students, the materials, recruiters, and case managers must be particularly skilled at addressing stigmas and/or barriers to entry into specific sectors.

- 2. High-Quality Learning:** Job-seekers have access to high-quality, competency-based learning that includes job-embedded training and is aligned to industry-recognized standards and/or certification.

Once job-seekers decide to pursue a career in one of the focus sectors, they must have access to on-the-job training that allows for theoretical skill and competency development, practice of those skills in real-life situations, and exposure to others performing jobs to which they can aspire. Exemplary workforce development systems have a mix of all three elements: coursework, reading, scenarios, and frameworks; apprenticeships and practicums where they can perform the work under the supervision

of someone skilled; and explicit opportunities to learn about pathways for advancement and see where their path could lead. In these systems, job seekers get high-quality and motivating feedback aligned to the competencies needed for work. Employers and partners prioritize making schedules and financial packages that allow job-seekers to prioritize work *and* learning, without having to sacrifice either.

- 3. Gap Closing and Equity:** Industry stakeholders and educational institutions have explicit approaches to close gaps for job-seekers furthest from job-readiness, including foundational and transferable skills.

Job-seekers who didn't graduate from high school, or who graduated without basic soft and hard skills, need access to high-quality, longer-tail programs that help backfill basic skills while also engaging them both in long term workforce training *and* immediate paid work. To effectively close gaps, these programs must offer soft-skills including coaching, mentoring, and other wrap-around services that help those furthest from work readiness overcome barriers to work and navigate early career pathways. These programs must address basic academic skills and help students learn technical skills related to entry and upwardly-mobile roles. Given the data about the disproportionate percentage of recent immigrants who fall into this category, programs should also include English language support and immigration services. For example, studies have shown that paying job-seekers to return to school or receive technical training is more successful than many other approaches, because it doesn't force those furthest from economic stability to choose between basic needs and investing in their future.

- 4. Uptake and Retention:** Industry stakeholders prioritize helping job-seekers obtain and retain permanent positions after initial training, pre-apprenticeships, and/or apprenticeships.

In exemplary workforce development systems, employers and industrial sectors develop strategies to obtain, and then retain, workers after their initial training. Within these exemplary systems, job seekers experience a seamless transition from training to entry into the role for which they are training. Pre-apprenticeships and apprenticeships are particularly critical for this objective. Exemplary systems have these programs embedded into on-the-job work, and employers have a systematic way to transition a trainee into a permanent slot upon completion of their requirements.

- 5. Mobility:** Industry stakeholders offer explicit opportunities for job-seekers to advance within and across sectors and to build wealth.

Exemplary workforce development systems should help job seekers understand how to progress from an entry-level position to the next level, and then to the next level. Paths to advancement should be made clear to job seekers, and those pathways should be

rational: in other words, within a mobility pathway, skills should be stackable and job know-how, training, and advancement requirements should be well aligned.

- 6. Tracking and Course Correcting:** Industry stakeholders, government entities, and educational institutions have high quality, shared data systems to measure effectiveness of the entire system aligned to the competencies above.

Exemplary workforce systems have high-quality, user-friendly, commonly-used, and accessible data on:

- High-mobility, high-growth jobs and the associated requirements are for entry.
- Job-seekers, including a way of evaluating the size of the gap between where they are and where they must be for job entry.
- Workforce training quality, with data on pre-apprenticeship, apprenticeship, and other workforce training initiatives including their enrollment, retention, completion, uptake, and mobility aggregated by subgroups.
- Workforce development programs achieving breakthrough results, especially with those furthest from readiness and those in new, emerging fields.

Great workforce development systems formalize and enforce protocols to track workforce development quality from interest, to uptake, to mobility and retention. Data is shared across partners and used by all stakeholders – employers, learning institutions (K12 and HE), recruiters, and/or certifiers – to build programs and course-correct where results show a need to improve. Workforce data systems should also encourage and enable leaders to “look around the corner” at trends indicating what is coming, not just what is happening in their sectors right now. This requires looking at national data trends and emerging markets, in addition to more commonly used annual data.

This framework aligns with, and also expands upon, the Gulf Coast tri-agency work-based learning framework, supplementing that existing matrix with national research, promising practices from our interviews, and data analysis. The table below provides a side-by-side view of these workforce development matrices.

Table 10: Side-By-Side Comparison of Tailored Framework and the Gulf Coast Tri-Agency Framework

| Tailored Framework | Gulf Coast Tri-Agency Framework |
|--|---|
| <p>Marketing and Recruiting</p> | <p>Identify and validate skills.</p> <p><i>Assessments and other tools are available to help job seekers align their skills with high-quality career pathways.</i></p> |

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|---|--|
| <p><i>Effective systems are in place to recruit, market, on-board and match diverse job-seekers to upwardly-mobile sectors.</i></p> | <p>Integrate Opportunities to Develop Professional Networks</p> <p>Strong mentoring networks and programs are in place for workers and job seekers, including opportunities for job seekers to explore multiple career paths.</p> |
| <p>High-Quality Learning</p> <p><i>Job-seekers have access to high-quality, competency-based learning that includes job-embedded training and is aligned to industry-recognized standards and/or certification.</i></p> | <p>Incorporate Meaningful Tasks</p> <p><i>Job pathways incorporate meaningful tasks including opportunities for supervision and learning.</i></p> |
| <p>Uptake and Retention</p> <p><i>Industry stakeholders prioritize helping job-seekers obtain and retain permanent positions after initial training, pre-apprenticeships, and/or apprenticeships.</i></p> | <p>Reward skill gain</p> <p><i>Career ladders are tied to compensation, ensuring that workers are rewarded for developing competencies.</i></p> |
| <p>Gap Closing and Equity</p> <p><i>Industry stakeholders and educational institutions have explicit approaches to close gaps for job-seekers furthest from job-readiness, including foundational and transferable skills.</i></p> | <p>Support Academic Growth</p> <p><i>Create increased opportunities for college credit and support strong academic outcomes for workers and job seekers.</i></p> |
| <p>Mobility</p> <p><i>Industry stakeholders offer explicit opportunities for job-seekers to advance within and across sectors and to build wealth.</i></p> | <p>Align to High-Quality Pathways</p> <p><i>High quality pathways present job-seekers with high mobility opportunities.</i></p> |
| <p>Tracking and Course Correcting</p> <p><i>Industry stakeholders, government entities, and educational institutions have high quality, shared data systems to measure effectiveness of the entire system aligned to the competencies above.</i></p> | <p>Measure Shared Progress</p> <p><i>Develop data protocols that allow stakeholders from industry, community, and academia to share information and standardize practices and curricula.</i></p> |

5) Putting it into Practice: Promising Practices, Gaps, and Next Steps for Workforce Development in the Focus Sectors

This section provides more detail about existing promising practices in the Gulf Coast region and will lay out a summary of where the Gulf Coast can make strides toward the above metrics.

Before looking more closely at how focus sectors measure up to each of the 6 elements, we will draw attention to several general assets, gaps, and recommendations. The below table will help stakeholders establish a birds eye view of workforce development in the region and provide a high-level roadmap to building an exemplary system in the Gulf Coast and in the focus sectors.

Table 11:
Overview of Promising Practices, Gaps, and Recommendations for Focus Sectors

| | Education | Health Care | Construction |
|---|--|---|---|
| Assets & Promising Practices | High-demand and high-growth industry with upwardly-mobile opportunities. | High demand, high-growth industry. | High demand, high-growth industry |
| | Trainer and employer work within the same industry, removing barriers to curricular alignment and data-sharing between stakeholders. | Rational market with plentiful opportunity for upwardly mobile advancement. | Rational market with plentiful and clear opportunities for upwardly mobile advancement. |
| | Workforce preparedness is an inherent interest of the education industry, and there is a large number of innovative pockets, pilots, and partners engaging in initiatives. | Careers in a range of areas requiring different skills, training, and aptitudes. | A large number of high-quality learning opportunities, including ample job-embedded training. |
| General Gaps | Stigma results in low interest, despite opportunity. | Very small pilots despite massive institutions, and barriers to scaling promising programs. | Stigma associated with physical labor and lower wages. |
| | Siloed innovation, not | Lack of dedicated | Incentive for lots of |

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| | a "system" embodying competencies. | people, time, and money capacity to scale and launch programs. | "low skill" positions and certifications, and fewer incentives to train "high skill" workers in the field. |
| | Employers lack capacity to envision and implement new systems. | Lack of coordination between pilots and partners. | |
| General Recommendations | Increase collaboration among districts in the region. | Identify and address barriers to scaling promising practices. | Work towards changing societal perceptions about careers in the construction industry. |
| | Recognize financial constraints in school districts and explore innovative funding models that secure the necessary resources for CTE sustainability and growth. | Build financial and human resources capacity necessary to scale promising programs and provide high-quality training to job-seekers. | Continue efforts to streamline connections between educators and employers. |
| | Promote inclusivity and equity by identifying and addressing potential biases in program implementation and access. | Formalize practices for sharing data between partners, including shared curricula for training programs. | Develop a comprehensive communication and outreach strategy to promote the company's programs and initiatives. |
| | | | Showcase positive outcomes and career paths available within the construction sector. |
| | | | Diversify training programs. |

In general, the focus sectors are well-positioned to develop and expand workforce training opportunities for Gulf Coast job seekers. However, there are a number of opportunities to capitalize on existing assets by developing and formalizing practices, sharing data, and scaling promising programs. This means that more work must be done to identify and lift up promising practices. This should include aggregating effective tools, building the capacity of employers, and mapping the outside partners who can help close gaps.

Below, we dive deeper into each of the six elements, and evaluate promising practices, gaps, and recommendations for each focus sector across the elements:

1. Marketing and Recruiting

Effective systems are in place to recruit, market, on-board and match diverse job-seekers to upwardly-mobile sectors.

In the education sector, there is high demand for entry into the field and for upwardly-mobile roles in schools and central offices. However, interest from job seekers is low because of the stigmas associated with working in education: for example, many see education as an inherently “female” endeavor and one that lacks excitement or opportunities for advancement. In addition, many employers – from early childhood centers to K12 systems and charter operators – lack systematic commitment and skill in the area of recruiting. Some promising practices and emerging partnerships currently exist to address the need for better marketing, overall education, and high touch recruitment. However, more needs to be done to make education an attractive pathway for all job seekers. Most importantly, employers in the education sector should embrace their role as recruiters and not rely on outside groups to fill this role.

In the construction sector, the demand for employment is equally high, especially for entry level work. Like in education, industry leaders we interviewed expressed challenges in overcoming barriers to recruitment. In particular, job seekers may be dissuaded because much entry work in construction does not immediately build wealth, and work is often physically demanding. Here again, employers and industry leaders have an opportunity to demystify the process of entry work in construction and to help job seekers understand pathways for advancement. Employers and experts in the Gulf Coast construction sector suggested that differentiating sub-strands of construction where specialization can help with advancement may be the key to future recruitment measures.

In health care, the individual pathways for certification and advancement are the most clear and “rational” of all three focus sectors, alleviating tension on the recruiting process that exists in other sectors. Put another way, the healthcare field makes clear pathways for advancement overall and in specialty areas, which helps job seekers easily access information about advancement and opportunities to build wealth. The opportunity in the healthcare sector is to

support employers in stepping into their role as recruiters. Unlike education and construction, the healthcare industry has high demand, opportunities, and interest.

Building healthcare employers and outside partners’ capacity to recruit would help the sector take better advantage of its existing assets and promising practices.

Table 12: At a Glance: Evaluating Focus Sectors on Marketing & Recruiting

| | Education | Healthcare | Construction |
|---|--|--|---|
| Assets & Promising Practices | High demand for entry and for upwardly-mobile roles. | High demand sector with clear and “rational” pathways for advancement. | High demand for entry-level work. |
| Gaps | Low number of students participating in CTE programs. | Lack of a robust supply of qualified candidates for apprenticeship programs. | Insufficient career exploration opportunities to counter barriers. |
| | Insufficient career exploration opportunities. | Employers not experienced as recruiters, and often lack resources to build capacity. | Lack of marketing and promotion. |
| | Many employers lack systematic commitment and skill in the area of recruiting. | | |
| Recommendations | Embrace employers’ and practitioners’ role as recruiters, rather than relying on outside groups to fill this role. | Build employers and outside partners’ capacity to recruit. | Work towards increasing industry representatives’ presence in schools and colleges and create more information-sharing opportunities with students. |
| | Expand career exploration | Create opportunities to share information | Develop a comprehensive |

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| | opportunities, perhaps by exploring virtual options or collaborating with more local institutions to host events. | about and recruit job-seekers into a wider range of careers within the hospital/healthcare field. | communication and outreach strategy to promote the industry's programs and initiatives. |
|--|---|---|---|

2. High-Quality Learning

Job-seekers have access to high-quality, competency-based learning that includes job-embedded training and is aligned to industry-recognized standards and/or certification.

Overall, many small-scale promising practices exist with respect to high-quality learning, with the additional bright spot that many of these practices could, and should, be scaled.

In education, we learned of several partners who are helping school systems create career ladders from instructional assistants or assistant teachers through a “grow your own approach.” Some K12 systems host summer programs where students can receive training to become “camp counselors,” and systems then use lists of students who participate to recruit job seekers into the grow-your-own pipeline and/or to connect to local teacher education programs. These efforts appear new, innovative, and promising, and could be more systematically implemented within and across systems. It is critical for stakeholders in this sector to develop new approaches outside of traditional education certification programs because, as a sector, many programs tend to lack rigor and high-quality real-life learning connected to theory.

In construction, we learned of an employer who runs a competency-based learning academy with clear learning outcomes and that includes traditional learning and work-based learning. Participants know precisely the skills and knowledge they must develop to be eligible for entry roles, and the next few rungs on the ladder. They also receive all required certifications to be connected to each role for which the company employs job-seekers. This exemplar program could be scaled to other employers and the approach could be systematized across employers. The most substantial challenge in the construction sector will be to convince employers and partners to make the financial and human resource investments necessary to scale promising programs to meet the needs of regional employers.

In health care, we met several employers who have high-quality apprenticeship programs that combine coursework with practicums and required certifications. Some of the programs have also taken care to remove scheduling and financial barriers that can prevent job-seekers' progress, thereby partially closing the gap between job-seekers closest and furthest to job readiness (see below). Some have taken care to place apprentices with managers who have a

developmental lens. The programs are quite small and are not yet part of the overall talent approach of the employers we talked to, but they could, and should be, over time.

More inquiry needs to be pursued on the barriers to scaling these promising but small programs. Inquiry should focus on solving for a lack of internal capacity and fragmented funding systems (e.g., pre-apprenticeships are funded differently than apprenticeships, and both have onerous compliance pieces). Once these barriers are identified and addressed, these practices provide a blueprint for exemplary systems in the area of high-quality learning.

Table 13: At a Glance: Evaluating Focus Sectors on High-Quality Learning

| | Education | Healthcare | Construction |
|----------------------------|--|---|--|
| Promising Practices | Partners helping school systems create career ladders from instructional assistants or assistant teachers. | Small, high-quality apprenticeship programs that combine coursework with practicums and required certifications. | Small, competency-based programs with clear learning outcomes and both traditional learning and work-based learning. |
| Gaps | Challenges with recruiting and retaining teachers in CTE programs. | Lack of access to apprenticeships for high school students and few clear pathways from education to apprenticeship. | Lack of qualified instructors to support workforce preparation courses.. |
| | Lack of curriculum alignment. | Apprenticeships not existing or readily available in all areas of the hospital and healthcare field. | Apprenticeship programs have not been widely adopted across the industry |
| | Lack of alignment between available certifications and the certifications preferred by employers. | Lack of systematic approach to scaling and info sharing between small programs and employers. | Lack of qualified job-seekers for niche areas within the industry. |
| | Lack of buy-in from schools and districts. | | |

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| Recommendations | Develop strategies to recruit and retain teachers in CTE programs. | Structure apprenticeships and pre-apprenticeships to increase access to high school students/programs and build the pipeline from education to apprenticeship. | Identify qualified instructors, sometimes from outside the school's faculty, to teach workforce preparation courses. |
| | Develop new approaches to train job-seekers outside of traditional certification programs. | Establish apprenticeships in more areas of the hospital/healthcare field. | Advocate for the wider adoption of apprenticeship programs across the industry. |
| | Ensure teachers have access to a database of curriculum and that certifications offered align with industry needs and are recognized as meaningful by employers. | Codify what is working in existing apprenticeship programs, and develop protocols for sharing that information with educators and employers. | Introduce specialized courses or certifications that cater to specific niche areas within the construction industry |
| | Create buy-in from schools and districts to adopt workforce preparation programs, especially by assisting schools with securing resources and locating and hiring qualified instructors. | | Create buy-in with employers and partners to make the financial and human resource investments necessary to scale promising programs. |

3. Gap-Closing and Equity

Industry stakeholders and educational institutions have explicit approaches to close gaps for job-seekers furthest from job-readiness, including foundational and transferable skills.

In order for the Gulf Coast to have a truly best-in-class workforce development program, K12, higher education, employers, and other partners need systematic and supportive pathways designed for job-seekers furthest from job-readiness. Along this metric, all three focus sectors face the same problems, rooted in a set of “perverse incentives” that guide CTE programs.

Many stakeholders we interviewed in higher education and K12 environments pointed out the struggle educators face in supporting those job-seekers facing the longest odds, particularly as it relates to funding and other accountability metrics that create unintended barriers. In K12, for example, Career and Technical Education (aka CTE) programs are evaluated, in large part, by both the federal government and the local district by enrollment numbers, retention rates, and the number of certifications obtained (given lag time in public policy, even some certifications that are relatively obsolete and/or connected to low-mobility, low-wage jobs).

While this seems like a good idea on paper, in reality it incentivizes districts to recruit students for CTE programs who are the closest to job readiness, and therefore need the least investment to achieve their certification. These perverse incentives lead districts to place those struggling and in need of the most intensive academic interventions in certification pathways that are easiest to obtain without basic academic skills, like welding or car mechanical programs – paths that often provide the least economic mobility. While this can provide some short term gains for some, it does not ultimately fill the “gap-closing” needed to ensure these individuals are on a pathway to lifelong, economic stability.

While we recognize gap-closing approaches are critical to advance equity, our initial gap analysis did not reveal many promising practices here. We attribute this primarily to the powerful incentives outlined above, and the close tie between these incentives and the funding and survival of CTE programs. Further analysis is needed to find existing bright spots and identify incentives that can make gap-closing a feature of all workforce apprenticeships.

Table 14: At a Glance: Evaluating Focus Sectors on Gap Closing & Equity

| | Education, Construction, Healthcare Sectors |
|-------------|---|
| Gaps | Educators incentivized to prioritize students closest to job readiness. |
| | Lack of equitable access to industry partnerships and experiences, especially for students in different geographic locations within the district. |

| | |
|------------------------|---|
| Recommendations | Improve access to industry partnerships and experiences, especially for students in different geographic locations within the district. |
| | Build capacities needed to address challenges related to summer programs and transportation. |
| | Build capacity to support CTE programs that challenge built-in funding incentives to focus on more prepared students. |

4. Uptake and Retention

Industry stakeholders prioritize helping job-seekers obtain and retain permanent positions after initial training, pre-apprenticeships, and/or apprenticeships.

Throughout our interviews, we saw multiple small-scale promising practices in health care and construction with respect to uptake and retention. In all the employer-run, higher education certified programs we found, the vast majority of participants in apprenticeships were completing their training and transitioning to permanent roles. It is clear that this successful uptake is due to employers' great pride in their high placement rates, and due to these programs' effectiveness in filling vacancy roles.

While there is much good news and quite a few emerging promising practices in this element, there is also need for further examination. Stakeholders need to codify promising practices, because the small pilots we investigated may not easily scale. We also need to figure out what incentives should be in place to induce employers to cast a wider net when filling apprenticeship roles. In many cases, employers were looking to fill apprenticeships for fewer than 10 people, so it may be that successful uptake is a function of the programs being highly selective, and not necessarily because the system design is effective.

Table 15: At a Glance: Evaluating Focus Sectors on Uptake & Retention

| | Education | Healthcare | Construction |
|----------------------------|---|--|---------------------|
| Promising Practices | Most participants in education apprenticeships complete training and transition to permanent roles. | Small-scale practices exist to move trainees into permanent positions. | |

| | |
|------------------------|--|
| Gaps | Promising programs are small and not easily scaled, and they lack codification of promising practices. |
| | In healthcare, especially, but across all focus sectors, there is high practitioner turnover due to stigma, burnout. |
| Recommendations | Codify promising practices, because the small pilots we investigated may not easily scale. |
| | Induce employers to cast a wider net when filling apprenticeship roles. |

5. Mobility

Industry stakeholders offer explicit opportunities for job-seekers to advance within and across sectors and to build wealth.

Our vision for the Gulf Coast workforce system is a system that not only focuses on job placement, but also prioritizes the ability of job-seekers to build wealth throughout their lives. Too often, workforce systems become focused on short-term outcomes like placement, certifications, etc. And while these are critical short-term metrics to measure the effectiveness of many programs, the real role of a healthy workforce system is to ensure all residents in the Gulf Coast region experience economic stability and ultimately build wealth for themselves, their families, and future generations.

In both construction and health care, we found program exemplars that are excelling in creating upwardly mobile pathways for job-seekers. Several construction companies have mapped explicitly how job-seekers must get from entry level to the next level and to mid level. These rungs on the ladder are clear, and job-seekers understand the investment of time and training required to step up to the next rung. The greatest opportunity for growth in construction seems to be in helping entry workers break through to the management level. While we heard several anecdotes pointing to this promising practice, the part of the mobility ladder leading to management seems to rely on individuals with extraordinary credentials and access, and does not appear to be a consistent feature of the workforce development system.

Additionally, in health care, there are clear ladders associated with training and certifications, making the upwardly mobile path clear to job-seekers. Similar to construction, we did not identify any program exemplars that provide training to workers specifically aiming to break into the management ranks.

Table 16: At a Glance: Evaluating Focus Sectors on Mobility

| | Education | Healthcare | Construction |
|---------------------|--|--|--|
| Promising Practices | Grow Your Own Programs | Clear ladders associated with training and certifications, making the upwardly mobile path clear to job-seekers. | Some programs are explicitly mapping pathways from entry-level positions to advancement. |
| Gaps | Lack of well-defined, stacked pathways to advancement. | Field experiences a high rate of practitioner turnover, suggesting a possible gap in pathways to advancement. | Structured, formalized pathways do not consistently provide access to management positions. |
| | Many time-intensive, costly credentials are required before educators can transition from a teaching role to a higher-paying role in school and district leadership. | | Lack of formalized pathways into management create disproportionate barriers to students without exceptional credentials and access. |
| Recommendations | Smooth pathways from the classroom to school and district leadership by supporting educators wishing to update or gain additional credentials. | Make clear to entry-level workers the steps, and the investment required, to reach the management level. | Make clear to entry-level workers the steps, and the investment required, to reach the management level. |
| | | Improve recruitment and retention strategies to address high practitioner turnover. | |

6. Tracking & Course Correcting

Industry stakeholders and educational institutions have high quality, shared data systems to measure effectiveness of the entire system aligned to the competencies above.

Overall, we see some bright spots and some room for improvement based on our interviews with Gulf Coast stakeholders. Industry stakeholders and educators share a desire to develop more robust data tracking and sharing systems. As just some examples, our interviewees expressed home that future data-sharing systems would:

- Help educators measure the effectiveness of programs and initiatives, including via long-term data on students’ career paths and outcomes,
- Improve information-sharing and collaboration among stakeholders, and
- Monitor and adjust programs’ infrastructure and curricula to respond to data trends.

In the focus sectors, particularly in education and construction, some practices and channels exist to share information between trainers and employers. In both sectors, these channels exist largely because, in a number of instances, the trainer and employer work within the same industry – and sometimes within the same institutions. While this practice cannot be replicated across sectors, it does point to the benefits of workforce training programs that help job-seekers transition seamlessly between job-embedded training and employment.

In general and across sectors, there is a lack of systematic processes and channels for sharing data and information between educators, employers, and job-seekers. The absence of these opportunities represents a barrier to a number of desirable outcomes: It hampers the tracking of programmatic effectiveness; it prevents educators and employers from communicating about emerging trends and workforce needs; and it prevents job-seekers from accessing information that might help match them with high-demand, high-mobility career pathways.

Table 17: At a Glance: Evaluating Focus Sectors on Tracking & Mobility

| | Education | Healthcare | Construction |
|---------------------|--|------------|--|
| Promising Practices | Trainer and employer work within the same industry, removing barriers to curricular alignment and data-sharing between stakeholders. | | Job-embedded training programs may reduce reliance on data sharing between trainers and employers. |
| Gaps | Lack of systematic process for tracking data related to the effectiveness of programs, especially students’ career paths and outcomes. | | |

| | | | |
|-----------------|--|--|--|
| | Lack of systematic process to share information about emerging trends, and related workforce skills, between educators and employers. | | |
| Recommendations | Scale or refine promising practices, including by smoothing information-sharing processes between trainers and employers. | Establish channels and practices of information sharing between trainers and employers, especially for students receiving training via CTE programs. | Scale or refine promising practices, including by scaling and replicating job-embedded programs where job-seekers transition seamlessly from training to employment. |
| | Develop systematic processes to track data related to the effectiveness of programs and share information about emerging trends and workforce needs between educators and employers. | | |

6) Systemic Barriers and Gaps Across Sectors

Above we detailed the challenges and opportunities we identified in our three focus sectors. It's worth noting that we found three key challenges that cut across all of the sectors. They are as follows:

Key partners in regional workforce development are not resourced for success in the medium-term and long-term.

An effective workforce development system requires four key partners working together effectively to ensure its success: Educators and Certifiers (K12/HE); Employers; Government; and, Industry and Workforce Advocates and Experts. In the Gulf Coast, each of these partners struggles individually and collectively to build an ecosystem able to “look around the corner” and be equipped for both the present and the future.

Government funding for workforce development programs is tied to immediate certifications and participation rates, similar to K12 and higher education. Further, employers need to fill jobs now and lack the resources to invest in systems-building. Taken together, these factors create an immediate imperative and prevent employers from “looking around the corner” and doing the work to develop efficient systems that might help later. As a result, focus sectors rely on outside partners to do the work of building systems. While we identified several partners doing effective work, specifically in the education and construction sectors, they lack resources and capacity to operate as short, medium, and long term developers of talent. Building a healthy workforce system requires time and expertise, and more investment is needed across the board.

The system lacks incentives to and resources to truly “look around the corner” to prepare job-seekers for the future.

A thriving workforce system prepares job-seekers for openings now, but is also designed to help citizens develop medium-term wealth. In order to do that well, systems and leaders have to focus on high-growth industries *and* design workforce programs that are able to transform big, disruptive trends into opportunities for growth.

As one obvious example: Many in workforce development believe artificial intelligence (AI) will have a tremendous influence on a number of industries and career pathways. There’s some exciting work happening in the Gulf Coast on technology-based workforce development (which is outside the scope of our particular inquiry), but the work of preparing job-seekers for the impact of AI has implications for all pathways and all sectors. It is critical for educators and industry stakeholders to exercise vision to anticipate the skills necessary to support emerging markets and creativity in developing curricula and creating institutional buy-in.

Currently in the region, most school-based and job-embedded training systems are rooted in legacy curricula – which is to say, as far as job preparedness goes, most programs are offering what they have always offered. In a landscape dominated by emerging technologies, a legacy approach to curriculum development will not produce a workforce with skills employers need.

Finally, it’s crucial that educators, employers and partners view this as an equity issue. Unless emerging skills become part of widely adopted curricula, access to high-quality learning in those areas will be restricted to students and job-seekers with educational privilege, and job-seekers furthest from readiness will continue to lag behind.

There’s an overall lack of investment in job-seekers furthest from readiness.

In both K12 and HE settings in the Gulf Coast region, perverse incentives exist for educators and industry leaders to focus on training and placing job-seekers who are already more prepared for the workforce. Such focus necessarily means that resources are diverted from job-seekers who are furthest from readiness, who require more time and resources to prepare:

- In K12 environments, traditional accountability systems promote recruiting academically prepared students and/or filling seats in yesterday’s sequences.
- On the other hand, in higher education environments, there is an imperative to simply to “get people certified,” which creates a false urgency and an incentive to push the most prepared job-seekers into the most quickly attainable certifications.

Similarly, because resources are scarce, employers have few incentives to invest additional time and resources training job-seekers further from readiness – especially when more prepared candidates are available. Additional barriers exist for job-seekers living in rural counties; who lack transportation; who have limited connections to employers; or who face other barriers to accessing training opportunities.

6) Conclusion and Recommendations

Many of our conclusions and recommendations for next steps are sector-specific and embedded in the tables above. However, there are several recommendations that span all focus sectors and should be generally adopted into workforce development systems across the region.

Lift up promising practices in each sector and find ways to scale and replicate them in the other sectors.

In the analysis above, it's clear there are promising practices in each of the three focus sectors, and along each of the six metrics. As has been previously mentioned, wherever small programs are showing promising results, there is an opportunity to two things:

1. Invest the resources necessary to scale small programs to serve a larger number of students and job-seekers.
2. Codify promising practices and use that information to replicate effective programs.

The issue of codification speaks directly to another key recommendation: to develop systems and channels to share information between educators, employers, and job-seekers. Effective replication of promising small programs depends upon an ability to share the codified protocols with other stakeholders. These systems must be in place before the promises of existing programs can be fully realized.

Some other promising practices that might be replicated or scaled are below. In addition to these recommendations, we consistently heard industry stakeholders lament a lack of resources to scale promising programs targeting rural students, low-income students, and other students and job-seekers furthest from career readiness. Where barrier-breaking programs have been implemented, they have been successful in reducing disparities in, for example, CTE enrollment. As in most areas below, more investment from state and outside partners is needed to extend these opportunities to more students and job-seekers in the region.

Table 18: Promising and Scalable/Replicable Practices in Each Sector

| |
|---|
| Promising and Scalable/Replicable Practices in Each Sector |
|---|

| Education | Healthcare | Construction |
|---|--|---|
| <p>Technical assistance partners are available to help employers think about how to develop effective pipelines.</p> | <p>Careers in a variety of pathways requiring varying skills, aptitudes, and attainment – and, in some small programs, training programs associated with those pathways.</p> | <p>Conveners are working to rationalize the market for job seekers.</p> |
| <p>Outside providers assist employers with recruiting and matching job-seekers to available positions.</p> | <p>Learning is aligned with meaningful certifications, and certifications are tied to explicit and upwardly-mobile pathways to advancement.</p> | <p>Employers creating explicit maps from entry-level positions up a defined career ladder.</p> |
| <p>New approaches to certification outside of higher education are being developed and piloted.</p> | <p>Small, high-quality apprenticeship programs that combine coursework with practicums and required certifications.</p> | <p>Small, competency-based programs with clear learning outcomes and both traditional learning and work-based learning.</p> |
| <p>Trainers and employers work within the same industry, and have lower barriers to sharing data and information.</p> | | <p>Job-embedded training opportunities reduce barriers to sharing information between trainers and employers.</p> |

Build Resources and Capacity with Vision and Innovation

The barriers and challenges that cut across sectors will, by nature, require systemic, innovative solutions. This is particularly true because many of the cross-cutting barriers involve identifying and securing additional resources, including financial, human resources, and systems-building.

In terms of funding challenges, unnecessary barriers exist because of the fragmentation of money into pre-apprenticeship and apprenticeship dollars from DOJ; career and technical education dollars from the U.S. Department of Education; and other earmarks like summer youth employment and internship dollars from the U.S. Department of Labor. Local conveners must be more creative in aligning funding across these fragments to implement a cohesive vision. They might advocate for alignment of funds in the form of things like regional block grants, or even braid the funding and play a compliance role backstage, while partners in the workforce are free to create innovative and aligned programming.

Additionally, the Gulf Coast has many innovative partners in higher education, and those partnerships should be leveraged where they are working. They should also be deepened where additional engagement could pay additional dividends – particularly in a landscape where employers, educators, and industry stakeholders need to innovate for emerging markets. We saw some evidence of this type of engagement in the education sector, specifically.

Finally, industry stakeholders and educators we interviewed were nearly univocal in acknowledging the need for more robust data-sharing systems. Gulf Coast employers might consider creating a universal data system and dashboard that tracks basic data like labor supply and demand trends, but also tracks (internally or externally) the success of job seekers from one end of the process to the other. While creating a data system of that kind, it would be important to think about how the system might leverage data – and especially public data – to incentivize employers and educators to serve those furthest from job-readiness.

Address broad, systemic gaps *and* implement sectoral recommendations.

In Tables 11-17, we laid out recommendations specific to each focus sector designed to address gaps we observed in data and heard about in interviews. As previous sections make clear, in many cases sector-specific recommendations are blocked by broad systemic gaps. There is therefore a need for stakeholders to take a dual approach: address broad cross-cutting gaps while implementing sector-specific recommendations.

Educators and employers should not, therefore, simply identify “low-hanging” and low-resource recommendations while neglecting the cross-cutting lack of systems in place across the region.

Because scaling and replication of promising practices is key, perhaps the most critical cross-cutting gap to address is the lack of information-sharing practices and channels connecting educators, employers, and job-seekers. These systems are necessary to establish before codified practices can be widely shared and adopted in each sector; before educators and employers can communicate about emerging workforce trends; and before program effectiveness data can be shared among stakeholders.

While identifying cross-cutting gaps, it’s important that stakeholders attend to gap-closing an equity. Like systems-building, equity can be easily overlooked in favor of work that may be more visible or rewarding in the short term. However, disparities throughout workforce development systems resonate throughout the region in the form of education, income, and other disparities that negatively impact the lives of Gulf Coast individuals and families. On the other hand, small investments in existing promising programs – for example, assisting with transportation for low-income students and students living in geographically remote locations – make large, long-term differences both in the workforce and in the community.

**V.
WORKFORCE
BOARDS AND
THE FUTURE OF
WORK**



Future-Focused Strategy Summary

Jobs For the Future (JFF)

Jobs for the Future (JFF) has several initiatives focused on America's Workforce Boards, collaborating with workforce innovators in 29 cities across the country. Their workforce system transformation strategy builds on a two-year research initiative that identified four future-focused behaviors found to be most common among what they call "allies of innovation." These four behaviors enable workforce boards to anticipate and adapt to changing markets more effectively and make a meaningful impact on their communities.

Future-Focused workforce boards are:

- **Opportunity-Oriented:** They have expansive visions of what they can achieve, and they pursue the resources and talent necessary to meet ambitious goals. They are aware of strategic opportunities to expand their influence at all levels across a diverse set of stakeholders.
- **Data-Obsessed:** They collect and analyze data to stay in front of emerging developments throughout the organization, and among their partners, training providers, and within their communities.
- **Human-Centered:** They put people before procedures and promote programs and services that prioritize positive experiences. They are intent on being responsive to clients.
- **Tech-Enabled:** They embrace new technologies, tools and techniques that allow them to operate more effectively and efficiently.

Maturity Model: What Human-Centered Design Looks Like in the Workforce System

Human-Centered Design

A process of inspiration, ideation, and implementation that relies on the end-user as an active and empowered participant throughout the design and decision-making process, rather than giving limited input or only being informed of decisions, programs, or policies after the fact.

Recent social and economic changes have prompted a reevaluation of how our national history has influenced our institutions, including the public workforce system. Workforce leaders recognize inequities within the system and are turning to human-centered design (HCD) to address these issues. HCD involves viewing organizational qualities through the lens of customers, stakeholders, and staff to create more inclusive programs and policies.

This approach acknowledges the holistic needs of individuals and encourages organizations to incorporate their voices into decision-making. The research resulted in a “maturity model” for workforce boards, categorizing them based on their level of community engagement, from transactional to fully embedded and community focused.



**VI.
THE FUTURE OF
WORK**

The Future of Work: Forecasting Emerging Technologies' Impact on Work in the Next Era of Human-Machine Partnerships

Dell Technologies and the Institute for the Future

The report provides examples of how four emerging technologies have the ability to rearchitect the world of work by 2030, along with the inherent challenges that will need to be addressed. These technologies, combined with human-machine partnerships, have the potential to reshape work dynamics entirely:

- **Collaborative A.I.**
- **Multimodal Interfaces**
- **Secure Distributed Ledgers**
- **Extended Reality (XR)**

It then describes three shifts for transforming the future of work and how they can help create a more inclusive work environment: Inclusive Talent, Empowered Workers, and A.I. Fluency.

It goes on to identify several major issues (“future dilemmas”) that will require our collective attention and action to either ameliorate, improve or advocate for:

Algorithmic Bias

Using human-machine partnerships in HR processes is new to most organizations, and how organizations use data could expose biases in hiring and performance.

***Digital Skills Gap**

Not only is there a digital literacy gap among many underserved populations, it's also possible that by 2030, older generations may feel shut out of parts of the economy, and have a lack of familiarity with collaborative platforms, etc. This could negatively impact some workers' ability to participate in human-machine partnerships. Younger workers accustomed to the digital space may threaten those with “seniority”; and organizations will need to upskill seasoned, experienced workers in new ways of working and learning.

Workers' Rights and Protections

Interesting issues arise when workers become compensated for their contributions and not for a fixed amount of time they are working. Navigating laws and regulations associated with workers will need to keep pace with evolving work arrangements.

**See Section 4: “Future Skills”*

VII.
THE IMPACT OF
A.I.

Generative A.I. And The Future Of Work In America

Mckinsey Global Institute

Artificial intelligence (A.I.) will transform the future of work in the United States, impacting regions and industries differently. It will increase productivity, specialization, and emphasize “human skills” like creativity and problem-solving. Economic growth will rise, but unevenly, with rural communities facing added challenges. A.I. will benefit some sectors, like **healthcare**, but threaten others relying on routine tasks. Policymakers should adjust school curricula, address rural-urban education gaps, and provide economic support for workers transitioning to new skills.

In the past, technological evolution paralleled workplace changes, leading to concerns about job displacement and inequality. Recent advances in A.I., particularly machine learning, have rekindled these fears. Machine learning can revolutionize industries like healthcare. It allows for precision medicine and optimizes medical professionals’ time, potentially creating new jobs. Collaborations between tech giants and healthcare firms leverage A.I. to predict genetic predispositions to disease, and to improve patient care.

Job sectors with strong growth will also require a higher level of education. A.I.-related jobs are on the rise, which is good for the economy. But automation will threaten many routine, service-oriented jobs, especially in rural areas, where these jobs are common.

To address the challenges posed by A.I., policymakers need to invest in education, narrow educational attainment gaps, and offer economic incentives for worker mobility, training, or retraining. Addressing wage inequality through measures like a higher minimum wage and worker training tax credits will also be important when adapting to A.I.-driven changes in the labor market.



**VIII.
SKILLS FOR
THE FUTURE
WORKFORCE**

Future Skills

Bernard Marr is an internationally best-selling author, popular keynote speaker, futurist, and a strategic business & technology advisor to governments and companies. He helps organizations improve their business performance, use data more intelligently, and understand the implications of new technologies such as artificial intelligence, big data, blockchains, and the Internet of Things. In 2022, he published a book called *Future Skills: the 20 Skills and Competencies Everyone Needs to Succeed in a Digital World*, the top ten of which are:

- **Digital Literacy.** The number one skill noted across all research, local or global is Digital Literacy. It includes the skills needed to learn, work and navigate everyday life in our digital world. It is critical that students, jobseekers, trainees – and those currently employed – become digitally skillful enough to use devices, software, and apps safely and with confidence. People with strong digital literacy skills can communicate and collaborate easily using digital tools, and they keep on top of new technologies and understand how they might impact their job and their business.
- **Data Literacy.** For most companies, data is now one of their most important and valuable business assets, which means organizations will want to employ people that are able to take data and use it effectively. In the average business context, data literacy means being able to access appropriate data and work with it confidently. To develop data literacy, the focus is on deciphering information from data and conveying insights based on the data to others. With data literacy, you will also be able to question the integrity and validity of any data you are working with rather than just blindly following the information you are given.

Critical Thinking

In this era of fake news, social media bubbles, and information overload, critical thinking is at the top of the list of the most vital skills to cultivate for success. Thinking critically means analyzing issues and situations based on evidence rather than hearsay, personal opinions, or biases. When you are practicing critical thinking, you can question the validity of evidence and figure out what's true and what's not in a variety of situations.

Emotional Intelligence

Emotional intelligence is the ability to express and control our emotions. An emotionally intelligent person is aware of how their emotions influence their own behaviors and impact others around them - and able to manage those emotions accordingly. Empathy – the ability to see the world from someone else's perspective – is a key component of emotional intelligence.

Creativity

Have you ever wondered what creativity really is? One way to define it is “the act of turning imaginative ideas into reality.” Creativity will be one of the most desirable skills in the future workplace, especially as we hand more and more routine tasks

over to machines. Creative thinking, like coming up with new ideas, problem-solving, imagining beyond the status quo, and implementing ideas to fix issues and make things better, will be critical in the workplace of the future.

Collaboration

The nature of collaboration and teamwork is changing as teams evolve to include hybrid workers, fully remote workers, contractors, and other employees who flow between projects and teams. In this changing workplace, you will need to be able to effectively collaborate and communicate with a variety of colleagues and coworkers.

Flexibility

Are you open to change? In the workplace of the future, change is going to be even more of a driving factor than it is today. We'll have to continually contend with new technologies, rising automation, the rapidly evolving pace of work, and vast business disruptions. We must all develop the mental resilience to thrive in times of constant change. Adaptability – the ability to adjust to new conditions – is key to developing flexibility. Adaptable people are open-minded, curious, and willing to learn new things because they focus on opportunities, not obstacles.

Leadership

Good leadership is about bringing the best out of other people and making sure they can thrive. And if you think leadership skills are only necessary for those at the top of the ladder, think again. Factors like distributed teams, increasing diversity, the gig economy, and more fluid organizational structures mean that leadership skills will be important for every individual throughout the company – whether they are leading a project, a team, or an entire department.

Time Management

Whether you work from home, work full-time in an office, run your own business, or work for an organization, the ability to manage your time effectively is essential for your workplace performance. Remember that time management is about working smarter rather than harder. Putting in extra hours isn't necessary for people who are great at managing their time. They know when they are most productive and use this time wisely, reserving their less productive hours for other tasks.

Cultivating effective time management skills is also important for your mental health. When you can manage your time effectively, you create a better work/life balance to ensure you have room in your life for the things that are most important to you.

Curiosity and Continuous Learning

If I were to pick just one skill that I think everyone must cultivate, it would be curiosity. Whatever your age or industry, adopting a mindset of continuous learning is critical to thriving in tomorrow's workplace. Curiosity and continual learning will help you stay flexible and embrace change, as well as help you keep your skills sharp so you can keep up with the major changes taking place today. Want to stay relevant to employers and give yourself the best chance at building a successful, fulfilling life? Adopt a growth mindset and spark your desire to learn.

**IX.
THE
EFFECTS OF
IMMIGRATION
ON THE FUTURE
WORKFORCE**

Houston's Economic Future: A Report on the Regional Effect of Immigration

Center for Houston's Future, 2019

According to the Center for Houston's Future, immigrants will continue to drive employment growth through 2036. They will hold 43% of the region's jobs, and 57% of new jobs created from 2016-2036 will be filled by immigrants. Industries most reliant on future immigration are:

- **Healthcare**
- **Professional Services**
- **Mining**
- **Construction**

Key Findings

The economies of Houston and Texas have grown in tandem with increases in population – a result of births and of domestic and international migration – the latter being a key driver in the expansion of Houston's workforce, which in turn has led to economic growth.

The Texas Gulf Coast region is expected to add 4 million residents in the next 20 years, so newcomers will play a critical role in ensuring our region's economic growth. The Center for Houston's Future assessed the extent of immigrant workers' economic contributions by projecting how a change in their numbers would affect the region's gross domestic product (GDP).

Since Houston's 200th anniversary is in 2036, it was chosen as the date for analyzing the effect of different immigration scenarios, and concluded the following:

- Houston's economic future is critically dependent on continued immigration.
- Immigrants already comprise nearly one-third of the region's workforce.
- As the employment growth among native citizens is below 2 percent, Houston will need foreign immigration to continue expanding economically.
- The construction and service industries are particularly dependent on immigrant labor today, but other sectors such as health care and IT will increasingly rely on immigrants to meet growing labor demands.

Critical Role In Houston Workforce

- Houston's economic growth is predicated upon immigrant labor and will be an engine of the region's growth going forward.
- Assuming historical trends, the Center projects that 57 percent of the region's jobs created from 2016 to 2036 will be filled by foreign-born workers.

- Employment among foreign-born residents legally allowed to work has grown four times as much as native workers, and even more compared to undocumented workers.
- Currently, the foreign-born share of highly skilled workers is significant, accounting for:
 - 42% Doctors
 - 42% Petroleum Engineers
 - 34% STEM fields
 - 42% Scientists

Immigrant Labor Needs Vary By Industry

- Certain industries are more reliant on immigrant labor, primarily construction and hospitality/services sectors.
- Other industries will increasingly depend on immigrants to meet workforce needs over the next two decades.
- The Center predicts nearly 60 percent of new jobs the health care sector will add by 2036 will be held by foreign-born workers -including highly skilled occupations such as doctors and nurses.
- Their analysis suggests the share of jobs held by immigrants in healthcare will rise from 27% to 46%. For the IT sector, it will rise from 22% to 53%.

The Growing Demand For Healthcare Workers In Texas, American Immigration Council, April 2023

Immigrant Labor Needs In Healthcare

According to a report by the American Immigration Council, immigrants represent a larger share of workers in healthcare roles like physicians, surgeons, dental hygienists, and respiratory therapists than their share of the population. However, while there is a growing need for healthcare workers, many immigrants who received specialized training abroad cannot practice in Texas. In 2021, many immigrants with healthcare certifications and doctorate degrees were working in non-healthcare jobs, according to the report.

In Texas, in 2019, immigrants made up 19.1% of the state's healthcare workers, while comprising just 17.1% of the state's population the report found. This included 32.3% of all physicians and surgeons.

For Texas to remain competitive and address critical shortages of physicians and other healthcare workers, it will be crucial to implement policies that not only attract and retain global talent that is complementary to the U.S.-born workforce, but that also build career pathways for immigrants who already call the state home, according to the report.

In-demand healthcare jobs include:

- Registered nurses
- Medical records specialists
- Licensed Practical and licensed vocational nurses
- Clinical laboratory technicians
- Physicians
- Opticians
- Respiratory therapists
- Dental hygienists
- Licensed practical and vocational nurses
- EMTs and paramedics
- Magnetic Resonance Imaging (MRI) technologists

As employers struggle to recruit and retain specialized healthcare workers, immigrants play a crucial role in helping to address labor shortages. With an increase in demand for multilingual and culturally competent employees, internationally trained healthcare professionals are uniquely positioned to provide support across all healthcare settings.

X.
**REGIONAL
ECONOMY
DATA**

Current

CURRENT OUTLOOK 2023 & 2024

The Houston-The Woodlands-Sugar Land MSA economy gained 121,600 net new jobs over the twelve-month period ending June 2023 for an annual employment growth rate of 3.75%. Over the past year, the largest gains were in the trade, transportation, and utilities industries, which added 31,600 employees (a strong 4.78% increase), whereas the fastest growth in percentage terms was in the transportation and utilities industries, which grew at a strong 7.46% over the year (an increase of 13,500 net new positions). Employment patterns were up across the board, with all industries reporting gains from June 2022 to June 2023.

The region's seasonally adjusted unemployment rate in June was 4.05%, up 0.28 percentage points from what it was a year prior and below state (4.38%) and national (3.57%) levels.

The Perryman Group's most recent projections indicate real gross product is expected to expand by +5.16% this year on a year-over-year basis, with +3.98% growth in 2024. Job gains are projected to be over 110,600 through 2023, with an increase of almost 82,900 jobs the following year.

Source: *Current Employment Statistics*, Bureau of Labor Statistics; *Local Area Unemployment Statistics*, Bureau of Labor Statistics; *Perryman Quarterly Updates*, The Perryman Group

Note: Updated on Aug 11, 2023.

CONTRIBUTIONS TO TEXAS ECONOMY 2023



26.14 %
of output



26.39 %
of income



24.25 %
of employment



24.33 %
of population



27.19 %
of retail sales

Source: *Perryman Quarterly Updates*, The Perryman Group

Note: Updated on Jul 11, 2023.

Short-Term

SHORT-TERM OUTLOOK 2022-2027

Real gross product is forecast to expand at a 3.35% annual pace, resulting in a gain of more than \$89.8 billion over the next five years. The manufacturing industries are expected to contribute the most to this growth with an increase of just under \$17.4 billion from 2022 to 2027, followed by the professional and business services industries, with an increase of approximately \$17.0 billion over the same time period.

Wage & salary employment is projected to grow by about 318,400 net new positions, an increase of 1.83% per year from 2022 to 2027. The largest source of job growth over the next five years is projected to occur in the professional and business services industries (roughly 65,400 new jobs) and the health and social services industries (over 55,800 new jobs).

Source: *Perryman Economic Forecast*, The Perryman Group

Note: Updated on Dec 12, 2022.

POPULATION



Source: *Perryman Economic Forecast*, The Perryman Group

Note: Compound annual growth rate from 2022 to 2027. Updated on Mar 24, 2023.

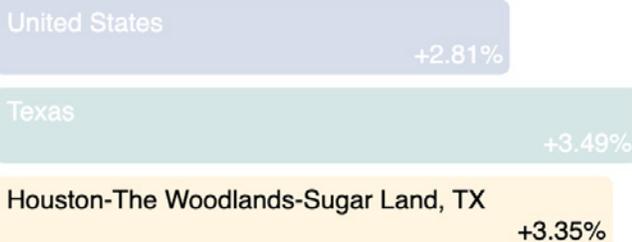
TOTAL EMPLOYMENT



Source: *Perryman Economic Forecast*, The Perryman Group

Note: Compound annual growth rate from 2022 to 2027. Updated on Mar 24, 2023.

REAL GROSS PRODUCT



Source: *Perryman Economic Forecast*, The Perryman Group

Note: Compound annual growth rate from 2022 to 2027. Updated on Mar 24, 2023.

Long-Term

LONG-TERM OUTLOOK 2022-2052

Real gross product is forecast to expand at a 2.77% annual pace, resulting in a gain of more than \$575.9 billion over the next 28 years. The manufacturing industries are expected to contribute the most to this growth with an increase of about \$146.5 billion from 2022 to 2050, followed by the professional and business services industries, with an increase of roughly \$106.9 billion over the same time period.

Wage & salary employment is projected to grow by nearly 1.612 million net new positions, an increase of 1.41% per year from 2022 to 2050. The largest source of job growth over the next 28 years is projected to occur in the professional and business services industries (almost 332,000 new jobs) and the health and social services industries (over 300,800 new jobs).

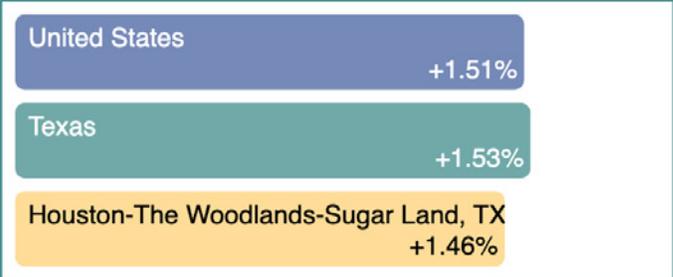
Source: *Perryman Economic Forecast*, The Perryman Group
Note: Updated on Dec 12, 2022.

REAL GROSS PRODUCT



Source: *Perryman Economic Forecast*, The Perryman Group
Note: Compound annual growth rate from 2022 to 2052. Updated on Mar 24, 2023.

TOTAL EMPLOYMENT



Source: *Perryman Economic Forecast*, The Perryman Group
Note: Compound annual growth rate from 2022 to 2052. Updated on Mar 24, 2023.

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Our Strategic Vision for 2024-202