

## Introduction

In 2005, the Gulf Coast Workforce Board first produced the Workforce Report Card comparing the Gulf Coast region to six competitor regions around the country. We developed the Workforce Report Card as a means of benchmarking the work of the Board in making the region one of the most competitive in the world. The report, which was updated in 2006 and 2007<sup>1</sup>, also serves as a compliment to the Board's strategic plan which measures our progress in improving the workforce system within the Gulf Coast region.

In producing the 2010 Report Card, we collected the most recent data available for each of the 36 indicators used in previous reports and looked at changes, compared regions and, as before, started assigning grades. What we saw was that the bottom line — the big picture — had not changed much from the previous Report. The big news was still education, its importance to our region's economic prosperity, and, when compared to the competition, our mediocre progress at significantly improving educational attainment outcomes.

The most recent data for almost all indicators is from 2008. During this time, the Gulf Coast region continued to see job growth well after the recession hit many other parts of the United States. It was not until 2009, that the recession squarely hit the Gulf Coast region. Although people tend to agree that we fared better than many other regions, we experienced widespread job loss, housing foreclosures and increased unemployment.

The story told by the 2010 Report Card does not reflect the dramatic changes to our region since the recession. The Report paints a picture of our region that was still fairly rosy, particularly when compared to other regions that were already experiencing the pain of the economic downturn. We determined that there is merit to publishing a short report about what the world looked like in 2008. To that end, we offer a short report on what is reflected by the data available for the Report's indicators. However, we also commit to publishing a full Report Card in 2011 that, we hope, will more accurately reflect the impact of the recession and tenor of the recovery.

## The 2010 Update

The Gulf Coast region ranked above the rest in job growth, unemployment, diversity and good jobs. We've had a number of good years. Whether you owned your home or rented, the Gulf Coast region was still a good place to live. We also made some headway in the percentage of people that have at least a bachelor's degree, although we still trailed Atlanta, Denver and San Diego. However, the Gulf Coast slipped on income, wealth and poverty indicators with almost the highest percent of families living at or below the poverty level. Only San Antonio came in behind us by only about 1%. We also came in 5<sup>th</sup> in the percentage of households receiving public assistance, surpassed only by Miami and San Antonio.

Miami still, generally speaking, trailed the other regions with low grades in all indicators — job growth, employment, knowledge jobs, market alignment, education, income/wealth/poverty and places to live and work. Atlanta and Denver maintained their lead in education but lost ground in job growth. San Diego fell in every category except education. Indicators of air quality slipped almost everywhere, especially in Atlanta, Denver, Dallas and San Diego.

For many of the indicators not closely linked to business growth and housing markets, there was not much movement when compared to the last Report Card published in 2007. The bright spot, however, is that most of the regions in the Report appeared to have fared better than the nation as a whole.

### ***Industries and Employers***

The rolling ten year job growth rate, which dropped to 8.8% for the nation, remained in the double digits for all the comparison regions. San Antonio realized the highest growth rate, increasing the number of jobs by almost 21% with Gulf Coast trailing slightly at just over 20%. Venture capital investments were, by far, the lowest in Miami and the highest in San Diego. Unfortunately, Gulf Coast ranks just above Miami. San Diego had the highest growth rate of new businesses, but added fewer jobs. By contrast, Miami had the lowest growth rate of new businesses and added more than twice as many jobs as San Diego.

### ***Labor Force and Knowledge Jobs***

In more than half of the regions including Gulf Coast, Dallas, Denver, Miami and San Antonio, unemployment in 2008 was at or below the national average of 5.8%. Not surprisingly, Denver and San Diego had the highest percent of knowledge jobs (high skill, high wage jobs) and Miami the lowest. Gulf Coast improved slightly in this area, moving up one notch, but still sat squarely in the middle.

### ***Market Alignment***

The balance between the entering and exiting workforce tightened for all regions except San Diego which had a higher rate of young people entering the workforce. Gulf Coast landed in the middle of the group. All regions also saw at least a slight rise in the median age except San Antonio and San Diego. Interestingly, Gulf Coast had the youngest median age at 33.1 years.

### ***Education***

Gulf Coast did not fare as well on educational indicators. Although Gulf Coast was above the national average for the percentage of the population with at least a Bachelor's degree and had a slight gain from the previous Report Card, it ranked next to last among comparison regions in this Report. Similarly, the percentage of the population in our region having at least an associate's degree was below the national average. The percentage of at-risk youth (young people who are neither in school or working) was above the national average as was the percentage of people that had limited proficiency in English. Once again, Gulf Coast ranked at the bottom on expenditures per student, and San Diego at the top. The ratio of 12<sup>th</sup> to 9<sup>th</sup> graders, used as a proxy for high school dropouts, was also mediocre. The reading scores in Texas regions' were below Denver, Miami and the national average. Only San Diego had reading scores lower than Gulf Coast.

### ***Income, Wealth and Poverty***

All regions, except Miami and San Antonio, had median household incomes higher than the national average of \$52,029. San Diego, Atlanta and Denver were at the top with Gulf Coast and Dallas in the middle. Home values were somewhat predictable with Gulf Coast, Dallas and San Antonio below the national average, and Atlanta, Denver, Miami and San Diego above. Denver had the highest rate of single female parent households, and only San Diego fared better than the national average on this indicator. Atlanta, Denver and San Diego were the only regions with poverty rates below the national average. San Antonio had the highest rate of poverty followed closely by Gulf Coast at 10.7%. All regions except San Antonio had lower rates than the national average of households receiving public assistance.

### ***Places to Live and Work***

San Antonio had the lowest home ownership cost but was followed closely by Gulf Coast. Gulf Coast had the lowest housing rental cost. Miami had the highest housing rental and home ownerships costs, both well above the national averages.

San Diego and San Antonio were the only regions with average commute times below the national average. Dallas used public transportation the least followed closely by San Antonio and Gulf Coast. Denver had the highest rate but still well below the national average. Gulf Coast had the highest percentage of its population carpooling to work with San Antonio coming in a close second. Miami residents carpooled the least and, along with Denver, were the only regions that fell below the national average.

None of the comparison regions had average home appreciation rates above the national average although, surprisingly, San Antonio was the highest closely followed by Gulf Coast. As in the 2007 Report, Atlanta had the highest population growth rate at 15%, with Dallas, Gulf Coast and San Antonio all around 12.5%. All regions except San Diego and Miami grew more than the nation as a whole. And, unfortunately, every region slipped in the number of days with poor air quality.

## What's Next

Since 2008, the economic landscape in the United States has changed dramatically, both for the nation and in local communities. Housing markets collapsed, the stock market plummeted erasing gains from the last decade, and unemployment increased to near record highs. The economic downturn has been felt around the world with a collapse in trade largely stemming from a contraction of the credit market.

Although we may be starting to see hints of what will surely be a slow recovery, regional labor markets will continue to be adversely affected for some time. When job growth resumes, the economic landscape in each region may be fundamentally different than depicted in this report, and in ways that are not yet predictable. What kinds of jobs will be in demand? Will the mix of employers in each regional economy shift?

We are not out of the woods yet. The Bureau of Labor Statistics reported that the March 2010 unemployment rates in 321 of 372 Metropolitan Statistics Areas (MSA) continued to be higher than in March 2009. The national unemployment rate was 10.2% in March 2010, *up* from 9% in 2009.

Unemployment jumped dramatically from 2008 to January 2010. For example, the jobless rates in Miami and San Diego almost doubled. Interestingly though, the most recent unemployment rates in all the comparison regions, except Miami, have since fallen, a very hopeful sign.

While there is no crystal ball in which to see the future labor market in any region, we can predict that regions, particularly the Gulf Coast, will need to find new ways to compete in the global economy. While we are competitive in terms of intellectual resources — we have some of the best and brightest minds — we have not found ways to compete with the lower wages paid to workers in other parts of the world.

### ***Building a Skilled Workforce***

There are several ways to build and keep a skilled workforce. For example, regions can create a supply of workers for knowledge jobs by developing a robust pipeline that produces new workers with needed skills. Regions can import workers from outside the region, either from other parts of the country or from other parts of the world. An emerging alternative is to export work, bypassing the immigration hassles of importing workers.

While exporting work, importing workers and growing them at home are all viable strategies for supplying a labor market with workers, they have different effects on a community. Importing workers can ensure a continued flow of new ideas, talent and culture into a region, all of which

Unemployment Rates

<i>Region</i>	<i>Report Card (2008)</i>	<i>Jan 2010</i>	<i>Current<sup>2</sup></i>
Gulf Coast	4.8%	8.8%	8.5%
Atlanta	6.2%	10.8%	10.4%
Dallas	5.0%	8.7%	8.3%
Denver	5.0%	8.3%	8.3%
Miami	5.8%	11.3%	11.5%
San Antonio	4.7%	7.7%	7.3%
San Diego	6.0%	11.1%	11.0%
U.S.	5.8%	10.6%	10.2%

are desirable for improving a region's competitiveness in the global marketplace. In fact, much of our success as a region is rooted in a culture of innovation which has been supported by people coming here to work and live. Nevertheless, importing talent has its limitations. A region can only import workers when it is already considered an attractive place to live and work. Importing workers does little to improve the economic condition of other unskilled residents, and it is common for foreign-born workers to go back home when they retire. The region will have a hard time retaining much needed intellectual resources, and sound knowledge management strategies become even more critical.

Developing strong educational institutions that provide a regional pipeline of skilled workers takes a significant community investment of both time and money. Creating successful education systems is vital to ensuring that a region's residents can become self-sufficient, skilled workers. It also helps ensure that potential human capital in a region is not wasted and the costs of public assistance, uncompensated health care and crime remain relatively low. Strong public education systems are also important in creating an environment in which people want to live and work.

When you put it all together for the Gulf Coast region, it appears that in good economic times, when we are adding good jobs, we do not produce enough skilled workers through our public education system to fill the best jobs. Are employers importing workers and exporting jobs? Even though our region beat the competition in the jobs arena, many of our residents did not benefit and remain in the working poor category. Now we are in a sour economy. The region's less than stellar public education system puts us at a disadvantage, and that does not bode well for a smooth recovery let alone real growth. There is a widening gap between those that have the good jobs and the rest of the people — those who remain unemployed, have lost their jobs, or are working at wages that do not bring them out of poverty.

### ***Two Futures***

We can envision two futures for the Gulf Coast region. In the first, the region continues to import skilled workers and export jobs, but does not significantly improve its education system. The result is a two-tiered community in which the top tier supplies the need for skilled workers and earns good, self-sufficient salaries, while a lower tier of working and non-working poor is severely limited by a lack of skills. Eventually, the social costs of carrying a significant portion of the region's population, which is less skilled and faring poorly in the economy, will make the region less attractive to newcomers. The region will then be in a downward spiral, with a failing public education system and a possible exodus of both the best employers and most skilled workers.

In the second scenario, the Gulf Coast region, with its strong business and philanthropic communities leading the way, develops a broad based consensus that public education must be reformed to ensure that every child entering the system graduates with sufficient skills to earn a living and/or continue in post-secondary education. Viable strategies for adult learners, including those with limited English proficiency, are available to residents to ensure they too can gain the skills needed to become self-sufficient and thrive in the global economy. The region's workforce is able both to meet the present need for skilled workers and attract new employers with knowledge jobs.

Clearly, the second scenario is the only reasonable choice. Making this choice a reality, however, will involve a sustained commitment not only from our public school system, but also from our business community, philanthropic organizations, public institutions, and the customers of the public schools, students and their families.

### ***The Vision***

Now more than ever, we simply cannot afford to put off making smart, critical investments. The Gulf Coast Workforce Board is committed to moving the region ahead of its competitors, with a strategic plan that envisions a future where:

- The Gulf Coast ranks among the top ten economic regions in the world.
- Employers have an adequate supply of well-educated and well-trained workers which enables them to compete in the global economy.
- Residents have the knowledge, skills and aptitudes to work and earn incomes that make them self-sufficient.
- The region is among the most attractive places in the country to live and work.

*We challenge the rest of our community to make the same  
commitment.*

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<sup>1</sup> Previous Report Cards can be found at <http://www.wrksolutions.com/about/reportcard.html>

<sup>2</sup> March 2010, Bureau of Labor Statistics

MEASURE		INDICATOR		GULF COAST		ATLANTA		DFW		DENVER		MIAMI		SAN ANTONIO		SAN DIEGO		U.S.	
		2007	2009	2007	2009	2007	2009	2007	2009	2007	2009	2007	2009	2007	2009	2007	2009	2007	2009
<b>Total Population</b>		5,539,949	5,728,143	5,138,223	5,376,285	6,003,967	6,300,006	2,927,911	2,801,921	5,463,857	5,414,772	1,942,217	2,031,445	2,941,454	3,001,072	299,398,484	304,374,846		
<b>Industries &amp; Employers</b>	Industrial Diversity	B 50.7%	A 50.9%	B 47.3%	C 46.5%	B 51.4%	A 51.0%	B 50.4%	C 49.8%	C 47.8%	C 48.1%	C 50.6%	C 50.5%	C 49.8%	C 49.3%	C 51.5%	C 50.6%		
	Rate of Job Growth	23.4%	20.1%	21.7%	14.0%	22.7%	16.2%	18.8%	12.8%	24.2%	15.5%	23.2%	20.9%	29.2%	17.5%	13.8%	8.8%		
	Total Job Growth (1998-2008)	464,300	435,300	428,100	297,700	529,200	417,300	230,100	170,900	470,600	316,600	153,000	147,700	293,700	193,700	16,466,000	11,136,000		
	Venture Capital Investment per Capita	\$45.48	\$50.75	\$86.38	\$77.19	\$102.48	\$72.43	\$238.82	\$147.69	\$9.76	\$2.83	\$16.41	\$54.96	\$437.53	\$399.89	N/A	\$91.86		
	% Growth in Business Establishment (2004-2007)	3.6%	3.6%	6.5%	6.5%	4.0%	4.0%	5.4%	5.4%	1.0%	1.0%	1.9%	1.9%	7.2%	7.2%	2.2%	2.2%		
<b>Labor Force &amp; Knowledge Jobs</b>	% Managerial, Professional & Related Jobs (civilian, employed 16+ years)	34.1%	34.6%	37.4%	38.5%	35.1%	34.6%	39.6%	39.7%	31.8%	32.5%	33.4%	33.3%	39.5%	39.6%	34.1%	34.9%		
	% Change in Unemployment Rate (2007-2008)	-12.5%	11.6%	-11.5%	37.8%	-7.7%	16.3%	-15.4%	28.2%	-14.6%	41.5%	-8.0%	14.6%	-7.0%	30.4%	-9.8%	26.1%		
	Unemployment Rate	4.9%	4.8%	4.6%	6.2%	4.8%	5.0%	4.4%	5.0%	3.5%	5.8%	4.6%	4.7%	4.0%	6.0%	4.6%	5.8%		
	% Not in the Labor Force	31.77%	30.4%	29.7%	28.6%	29.3%	28.8%	28.6%	27.1%	37.2%	36.7%	35.8%	34.5%	34.1%	33.3%	35.0%	34.1%		
	Simpson Index of Racial & Ethnic Diversity	0.67	0.67	0.59	0.61	0.62	0.63	0.48	0.49	0.66	0.66	0.57	0.57	0.63	0.63	0.52	0.53		
Foreign Born	20.11%	21.6%	12.69%	13.20%	17.74%	17.80%	12.08%	12.60%	36.55%	36.80%	11.47%	10.60%	23.36%	22.1%	12.38%	12.48%			
<b>Market Alignment</b>	Balance Between Entering & Exiting Workforce	B 5.09%	B 3.80%	B 3.83%	C 2.90%	A 4.80%	B 4.00%	A 3.60%	C 2.11%	B 2.21%	C 1.30%	B 5.13%	B 5.10%	A 4.71%	A 6.40%	3.03%	3.02%		
	Median Age	32.9	33.1	34.1	35.0	32.9	33.3	34.4	35.6	38.6	40.4	33.8	33.3	34.4	34.2	36.4	36.9		
	Change in Median Age by Years (2006-2008)	0.6	0.2	0.6	0.4	0.3	0.2	0.3	0.5	1.2	1.1	0.7	-0.1	0	0.2	0.4	0.5		
	Growth Alignment-Job Growth-Labor Force Growth	4.1%	2.9%	-7.7%	-9.8%	1.9%	0.9%	-1.4%	-4.0%	5.1%	-2.5%	4.8%	3.8%	6.6%	-1.7%	0.7%	-3.2%		
	Occupational Alignment	85.9%	84.3%	85.0%	85.0%	87.4%	81.5%	89.2%	86.0%	84.9%	84.3%	82.3%	83.0%	88.6%	83.7%	88.8%	84.8%		
<b>Education</b>	Bachelors or Higher	27.83%	28.20%	34.32%	34.60%	29.97%	29.60%	38.04%	38.62%	27.54%	29.50%	24.20%	24.60%	33.99%	34.20%	27.19%	27.70%		
	Associate's or Higher	33.61%	34.20%	40.67%	41.20%	36.41%	35.80%	45.35%	45.74%	35.66%	37.50%	31.17%	31.50%	42.04%	42.20%	34.57%	35.20%		
	% Limited English Proficiency	17.39%	17.60%	7.50%	7.70%	14.21%	14.40%	9.17%	9.07%	22.51%	23.30%	13.40%	11.80%	16.12%	14.60%	8.63%	8.60%		
	% At-Risk Youth (16-19 years)	4.63%	6.50%	5.35%	5.40%	4.92%	4.70%	4.45%	5.69%	4.12%	7.80%	4.36%	5.90%	2.58%	5.40%	4.36%	5.30%		
	Expenditure by Student	\$6,619	\$7,483	\$7,601	\$9,203	\$6,474	\$7,525	\$6,977	\$8,201	\$6,282	\$9,018	\$6,805	\$7,812	\$7,485	\$9,335	\$7,727	\$9,669		
	Ratio of 12th to 9th Graders	0.58	0.65	0.60	0.63	0.58	0.66	0.69	0.81	0.55	0.73	0.64	0.59	0.76	0.90	0.72	0.77		
	NAEP 4th Grade Reading-% at or above basic (2007)	64%	66%	58%	66%	64%	66%	69%	70%	65%	70%	64%	66%	50%	53%	64%	67%		
	<b>Income, Wealth &amp; Poverty</b>	Median Household Income	\$46,705	\$56,250	\$54,066	\$60,682	\$49,740	\$56,377	\$54,736	\$60,582	\$43,091	\$49,313	\$43,263	\$47,755	\$56,335	\$63,026	\$46,242	\$52,029	
Median Home Value		\$123,400	\$142,400	\$177,200	\$199,300	\$133,900	\$148,600	\$246,074	\$319,002	\$250,000	\$275,500	\$97,200	\$126,300	\$552,000	\$482,900	\$167,500	\$197,600		
% of Family Households with Single Female Parent		11.83%	13.60%	12.79%	14.30%	11.76%	13.20%	9.82%	15.58%	12.63%	14.30%	12.30%	14.10%	10.32%	12.30%	11.33%	12.50%		
% of Families in Poverty		13.40%	10.70%	9.00%	8.60%	10.30%	9.80%	7.38%	7.73%	11.30%	10.40%	13.30%	11.80%	8.00%	8.40%	10.20%	9.70%		
% of Households Receiving Public Assistance		8.42%	7.42%	6.49%	7.39%	6.95%	6.77%	4.83%	4.89%	10.46%	9.22%	9.76%	11.13%	3.77%	4.42%	8.83%	9.31%		
<b>Places to Live &amp; Work</b>	Monthly Home Ownership Cost	27.77%	26.20%	29.58%	31.20%	29.28%	27.50%	32.60%	32.12%	42.76%	47.00%	22.66%	25.10%	41.32%	45.30%	28.32%	30.50%		
	Monthly Rental Cost	47.91%	43.30%	46.13%	46.70%	45.77%	45.40%	48.44%	48.68%	57.49%	59.00%	44.15%	46.30%	54.85%	52.70%	45.68%	46.10%		
	Home Value to Annual Income	2.64	2.53	3.28	3.28	2.69	2.64	4.50	5.27	5.80	5.59	2.25	2.64	9.80	7.66	3.62	3.80		
<b>Travel to Work</b>	Mean Travel Time to Work (minutes)	28.1	28.9	31.1	30.4	26.5	27	25.1	26.5	28.5	27.7	24.9	25.4	25.2	24.1	25.1	25.5		
	% Using Public Transportation	2.76%	2.63%	3.32%	3.58%	1.52%	1.66%	3.72%	4.60%	3.57%	3.74%	2.12%	2.57%	2.94%	3.41%	4.66%	5.01%		
	% Carpooling	12.79%	12.68%	10.72%	11.34%	11.65%	11.86%	9.20%	10.60%	10.37%	9.93%	11.84%	12.63%	10.93%	11.26%	10.67%	10.70%		
<b>Growth Indicators</b>	Population Growth (2003-2008)	13.90%	12.63%	15.82%	15.07%	12.12%	12.85%	7.82%	9.32%	6.74%	3.26%	11.25%	12.32%	2.70%	2.52%	4.97%	4.77%		
	Average Home Appreciation, 5 years through Q1 (2004-2009)	26.38%	26.03%	23.56%	11.93%	17.61%	16.09%	14.44%	7.75%	131.30%	22.12%	38.56%	33.11%	83.48%	0.32%	53.53%	36.51%		
	Number of Days Air Rate "Unhealthy" or "Unhealthy for Sensitive Groups"	17	22	4	28	5	18	2	19	0	4	4	10	17	33	N/A	N/A		