

Workforce Data Critical as Oklahoma Town Attracts Solar Cell Plant

As the U.S. skilled labor supply continues to tighten, economic development groups are finding it increasingly difficult to show site selectors and businesses what they want to see—the availability of skilled workers. An economic development group in Northeast Oklahoma has utilized their 4-state WIRED partnership to understand their region's workforce characteristics and has since used this to successfully recruit an international solar-cell manufacturer to their region.

Situation

When the Belgian high-tech materials company Umicore decided to expand its germanium wafer¹ production to the U.S., its search led it to three cities. Two were not surprises (Phoenix and Albuquerque), but one was off the beaten path in the tiny town of Quapaw, Oklahoma (pop. 966), near the Ottawa county seat of Miami (pop. 14,485). Umicore's Opticals division has an existing plant in Quapaw, so it knew the cost of business would be low, but it needed proof that the surrounding region could provide the necessary workforce for the new plant.

Challenges

When the site selector approached Judee Snodderly, Executive Director of the Miami Area Economic Development Service, with very specific questions about the regional workforce, Oklahoma's public data were not detailed or flexible enough to answer the site selector's questions. To complicate matters, the Miami regional labor force is shared by four states, which meant Snodderly would have to dig through three more public data web sites.²

Painting an accurate picture of the regional workforce required gathering data from each state's LMI site. When these data sources did not have the necessary information, Snodderly began making phone calls to the neighboring states' economic development groups. She anticipated a long road of data gathering, and grew concerned about her ability to field the questions in a timely manner. The need for detailed regional data was urgent, and if she couldn't provide it, Umicore and the jobs it would provide would locate elsewhere.

"Having the data made all the difference. Workforce availability was No. 1 on the site selector's list, but without the detailed data, we would have had no way of proving that our regional workforce is sufficiently skilled and available."

Solution

Oklahoma, Kansas, Missouri, and Arkansas form the only 4-state WIRED region in the U.S. As a result, Snodderly was able to draw upon a diverse array of experience, expertise, and resources. The search for workforce information led Judee to Gary Box, the business retention coordinator at the Workforce Investment Board of Southwest Missouri. Box said that he could easily provide the workforce data on Missouri and the 3 adjoining states.

He was able to do this through EMSI's web-based labor market suite, Strategic Advantage. With this tool, Box quickly answered the site selector's questions by providing (1) detailed industry and workforce

¹ The primary semiconductor component of high-efficiency solar cells.

² Miami sits in the northeast corner of Oklahoma, which adjoins Kansas, Missouri, and Arkansas.

characteristics and (2) custom industry and occupation reports highlighting the high-tech manufacturing capabilities of the four-state region at the county level.

Furthermore, Gary had the idea of also including information on the skills and availability of workers from other highly compatible occupations that Umicore might be interested in. This analysis not only provided Umicore and their site selector with the basic information they were looking for; it also provided them with a more complete and holistic look at the actual industry and workforce cluster and how they could benefit from it. In reference to his report, Box says, "It's important to tailor the data to the audience. EMSI gives me the flexibility to find the detailed industry and occupation data I need, but then I have to use my own common sense to figure out what the site selector needs to see."

Outcome

In late June 2008, Umicore chose Quapaw as the new location for their germanium wafer production site, resulting in an investment of \$51 million into the region and 165 new jobs with an average salary of \$51,000 a year not including benefits. Construction will begin in 2008 and continue through late 2009. EMSI estimates that the total impact on the economy of Ottawa County during the construction phase alone will be more than 160 jobs and nearly \$9 million in earnings annually, and when the plant is in operation it will have a total impact of more than 250 jobs and more than \$12 million in earnings annually.³

Judee Snodderly emphasized the role that regional collaboration and data played in their success: "Having the data made all the difference. Workforce availability was No. 1 on the site selector's list, but without the detailed data, we would have had no way of proving that our regional workforce is sufficiently skilled and available." Judee Snodderly and Gary Box prove that with regional collaboration, detailed, flexible data, and a little ingenuity, small towns in rural America can compete (and win) in the global economy.

In the Media

"High-Tech Facility in Quapaw Means 165 New Jobs." Oklahoma Department of Commerce. <http://www.okcommerce.gov/index.php?option=content&task=rss&id=2561&src=RSS>.

"Umicore to invest in significant production capacity expansions for germanium substrates and rechargeable battery materials." Umicore. http://www.investorrelations.umicore.com/en/newsPublications/pressReleases/2008/Cleantech_PR_EN_final.pdf.

About EMSI

Economic Modeling Specialists Inc. (EMSI) is a professional services firm that offers integrated regional data, web-based analysis tools, data-driven reports, and custom consulting services. EMSI has served thousands of workforce, education, economic development, and other policy professionals in the U.S., Canada, and the United Kingdom, and the company's web-based **Strategic Advantage** research and analysis suite is used by over 2,500 professionals across the U.S. For more information, call (866) 999-3674 or visit www.economicmodeling.com.

³ Operations-phase impacts include the "direct" jobs and earnings at the plant itself, plus indirect and induced effects. Numbers are initial estimates only and should not be interpreted as the result of a thorough impact study. Source: initial input/output analysis by EMSI assuming (1) about \$30 million in sales for industrial building contractors over 1.5 years during the construction phase, (2) 165 new jobs in "semiconductor and related device manufacturing" during normal plant operations thereafter, with those jobs having \$60,000 average annual earnings *including* benefits, and (3) only 5% of the plant's profits remaining in the county. These are rough, preliminary assumptions made entirely by EMSI and are not based on any additional information from Umicore or local governments/organizations involved.