

THREATS OF JOB LOSS LEAD TO INNOVATION IN SOUTH CENTRAL PA

SITUATION

In 2006, a major confectionary plant in South Central Pennsylvania announced that it would be closing, and another four in the area indicated that they would be making significant cutbacks. The total job loss would potentially reach around 600 jobs. To respond, the Lancaster, Berks, and Southcentral Workforce Investment Boards (WIBs) partnered to build a strategy around the looming dislocation in this industry sector. As part of their effort, they received a Regional Innovation Grant (RIG) from the U.S. Department of Labor. With the help of federal aid, a strong existing regional food manufacturing partnership, a thorough understanding of the regional economy, and shared technology resources, the three WIBs began to leverage the availability of 600 well-trained workers as a catalyst for positive change in the region.

CHALLENGES

As a first step, the RIG leadership team focused on strengthening the incumbent workforce and fulfilling the needs of other food processing businesses within the region. Because the RIG is a planning grant, the leadership team is working to develop a broad vision for innovation in the region instead of simply thinking in terms of transitioning a specific group of displaced workers. To achieve this goal, the WIBs first had to:

1. Choose which regional industries would both meet their innovation goals and be suitable for the displaced workers.
2. Understand the most critical needs of those industries.
3. Determine what sort of training or re-training would need to take place.

MEETING THE CHALLENGES

Scott Sheely (Executive Director at Lancaster County WIB) and the rest of the RIG leadership team analyzed the local labor market to discern the industries that would be the best fit for the workers. The analysis was conducted using EMSI's web-based tool, Analyst, which allowed the team to evaluate the South Central PA industries in terms of regional concentration. This helped the team focus on the food processing industry. Additional research revealed two very specific technology drivers—packaging technology and radio frequency identification—which are changing the face of the food industry in the area and redefining the skills needed by its workers.

Next, the WIBs turned their attention to training incumbent workers. EMSI's Analyst again came in handy because it allowed them to look beyond basic job growth and decline numbers and see "replacement jobs" (jobs projected to become available based on factors like retirements and outmigration) that would need to be filled over the next few years. Analyst indicated that growth in jobs related to technological advances were significant but also that the number of replacement jobs was roughly three times the number needed because of growth. This means that the

incumbent workforce could be retrained for higher skilled positions and remain employed as older technical workers retired.

Along with Analyst's data-driven conclusions, the RIG planning team has relied heavily on regional partnerships to put their ideas into action. With industry, education, and economic development partners across the state, South Central Pennsylvania is not facing their workforce crisis alone. The industry and education partners have provided the means to re-train incumbent workers for higher-skilled, higher-paid jobs that will be less likely to be cut than the lower-skill positions. It has effectively changed something that could have hurt the region into something that has actually helped the region.

OUTCOME

Though the RIG planning will continue into 2009, the South Central PA region has already created several new training programs and partnerships that are showing early signs of success. The focus on retooling incumbent workers and building regional partnerships has yielded the following outcomes, most of which are still in process:

- More than 200 incumbent workers currently enrolled or finished with a 350-hour certificate program in industrial maintenance and mechatronics, transferable into an associate degree program at Reading Area Community College and eventually into advanced standing in the mechatronics engineering technology program at Purdue University.
- The RIG team is working with community and technical colleges around the country as well as the Packaging Machinery Manufacturers' Institute to develop a set of industry-driven credentials for technicians in the packaging industry.
- Two technology transfer events are planned for Fall 2008 through a partnership with Penn State University and a newly formed Center of Excellence in Radio Frequency Identification.
- The RIG team is working with an international packaging equipment supplier to put state-of-the-art equipment into regional training institutions.

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 Analyst research and analysis tool is used by over 2,500 professionals across the U.S. For more information, call (866) 999-3674 or visit www.economicmodeling.com.