

Growth



## Leveraging the Labor Force for Economic Growth

Assessing the Nashville Economic Market Area's  
Readiness for Work after the Recession



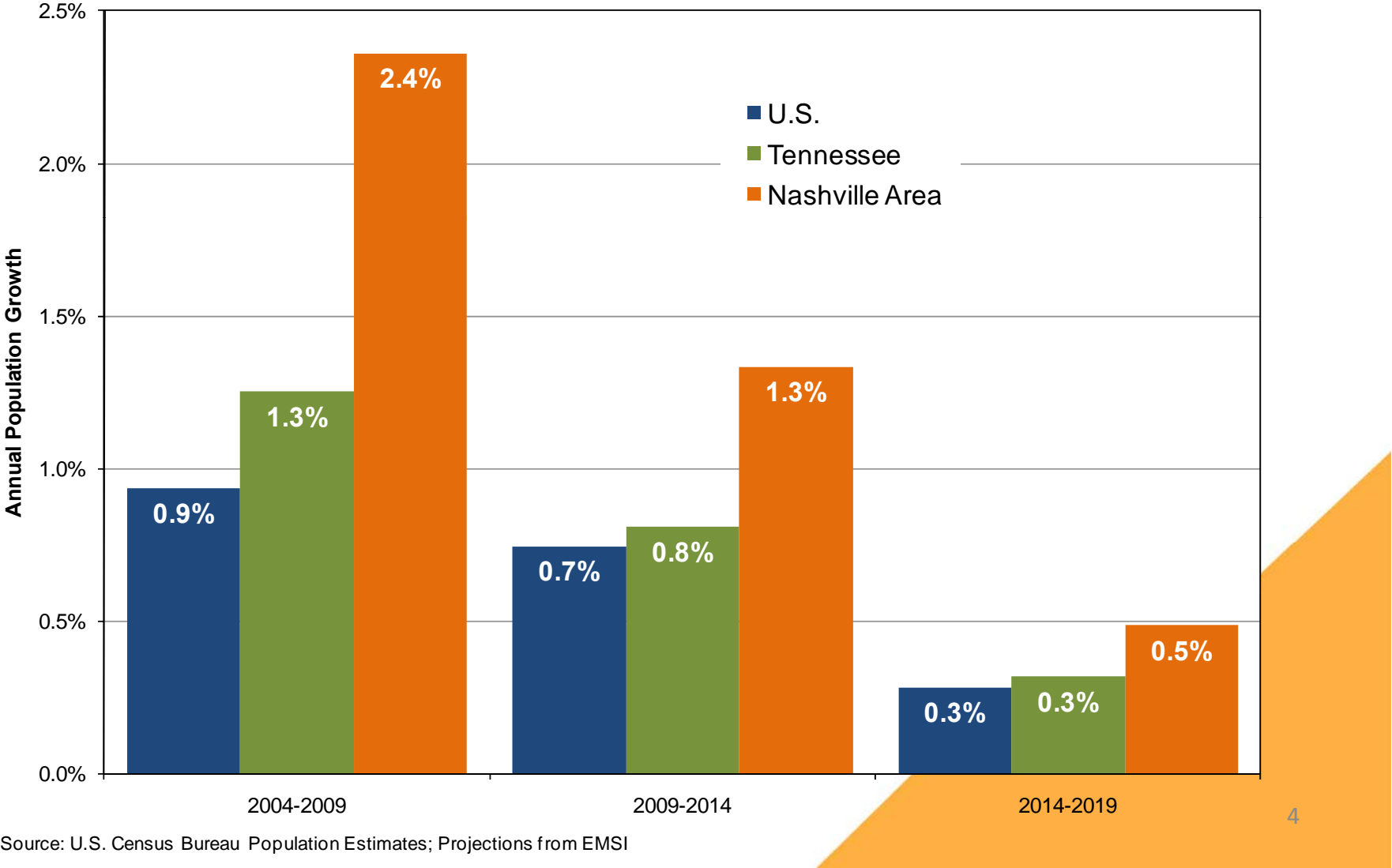
# Overview

- Regional demographic overview
- Workforce supply analysis
- Regional demand for workers
- Balancing supply and demand
- Reviewing key cluster trends
- Key challenges for future workforce development policy

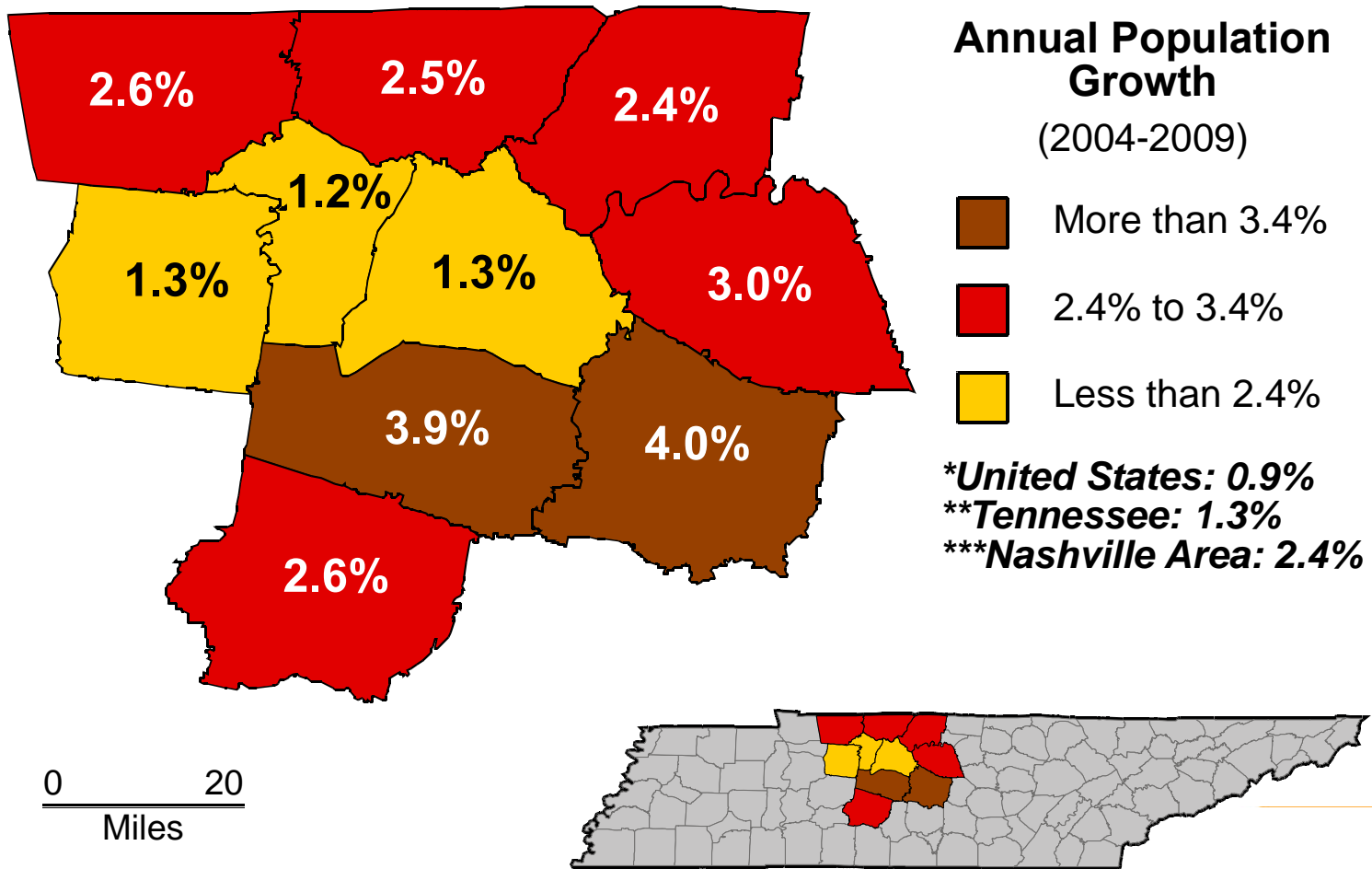
# DEMOGRAPHIC CHANGE

Regional Growth Continues Faster  
than the US and Tennessee

# Recent and Projected Population Growth for the Nashville Economic Market Area

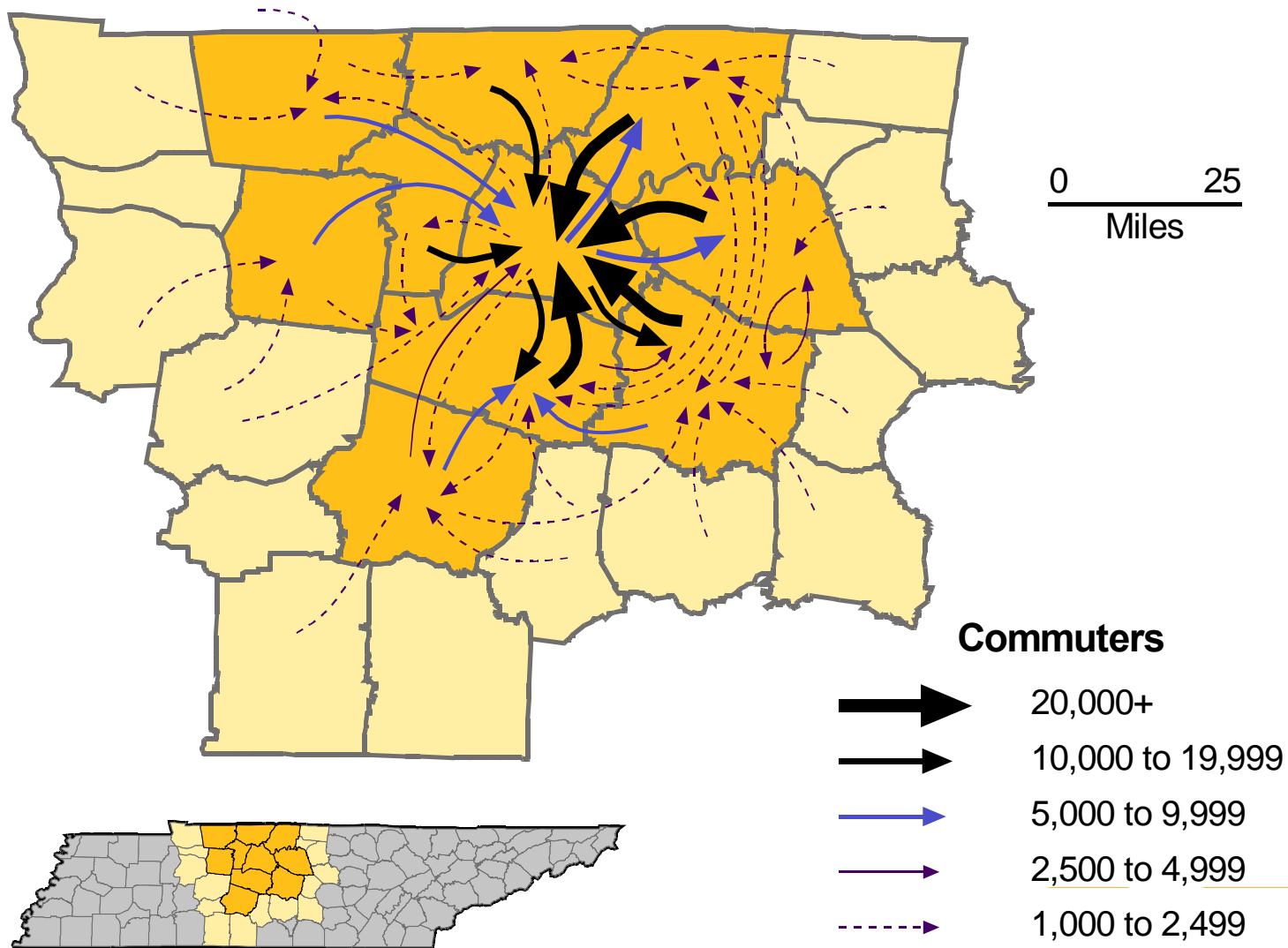


# Annual Population Growth in the Greater Nashville Area (2004 to 2009)



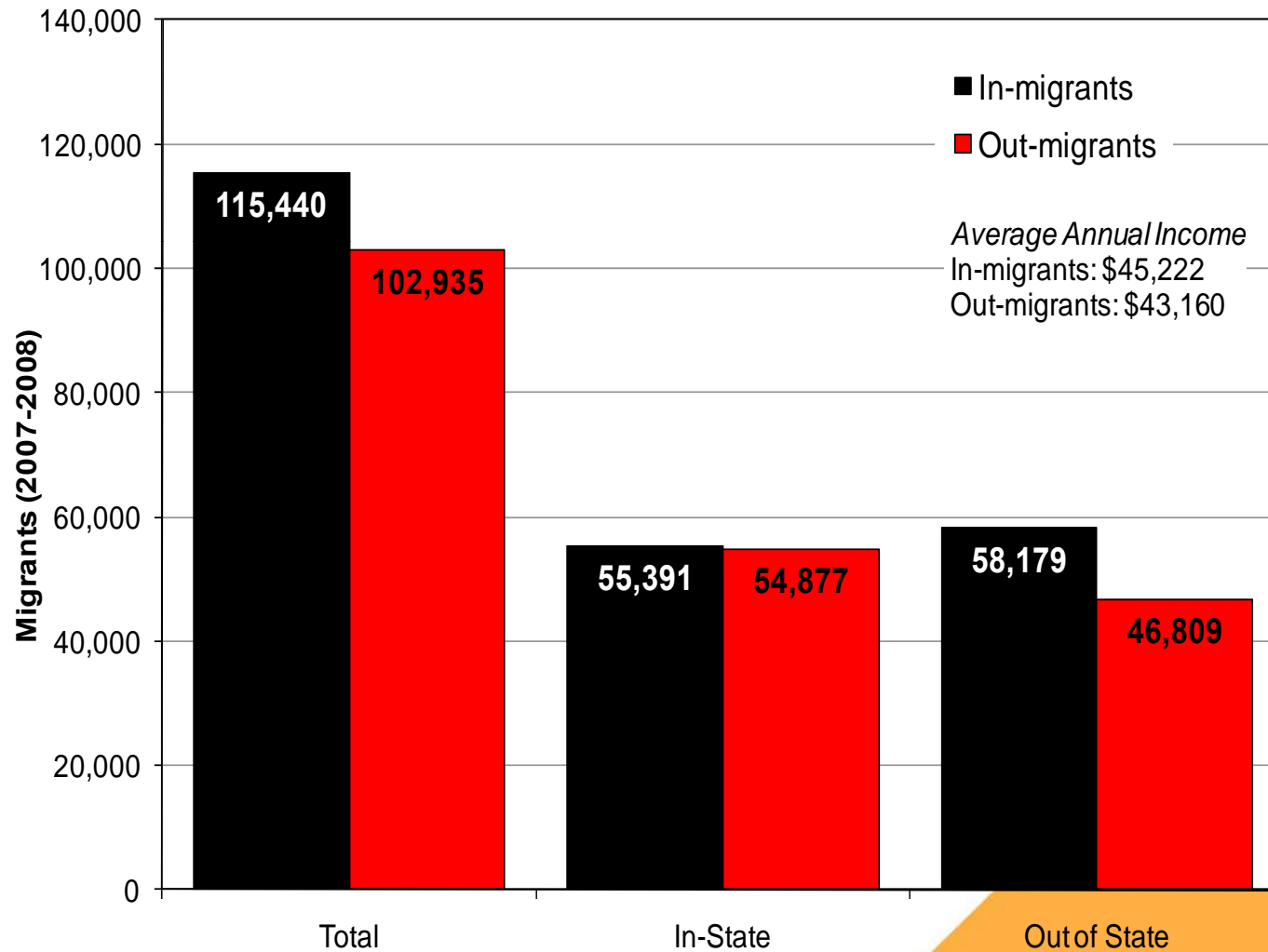
Source: US Census Bureau Population Estimates

# Nashville Region Commuting Patterns



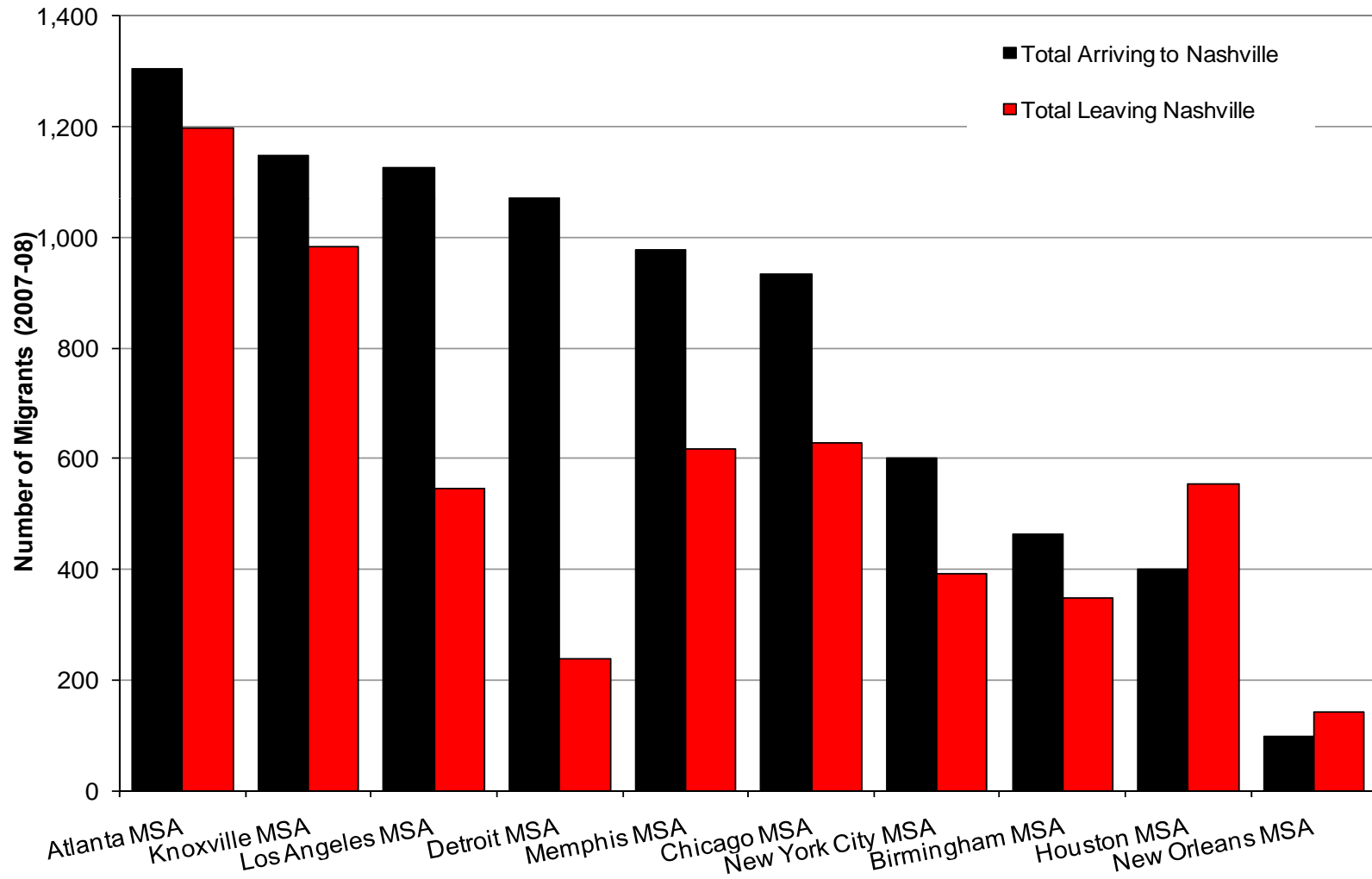
Source: US Census Bureau, Local Employment Dynamics (2008)

# Migration Patterns for the Nashville Economic Market Area



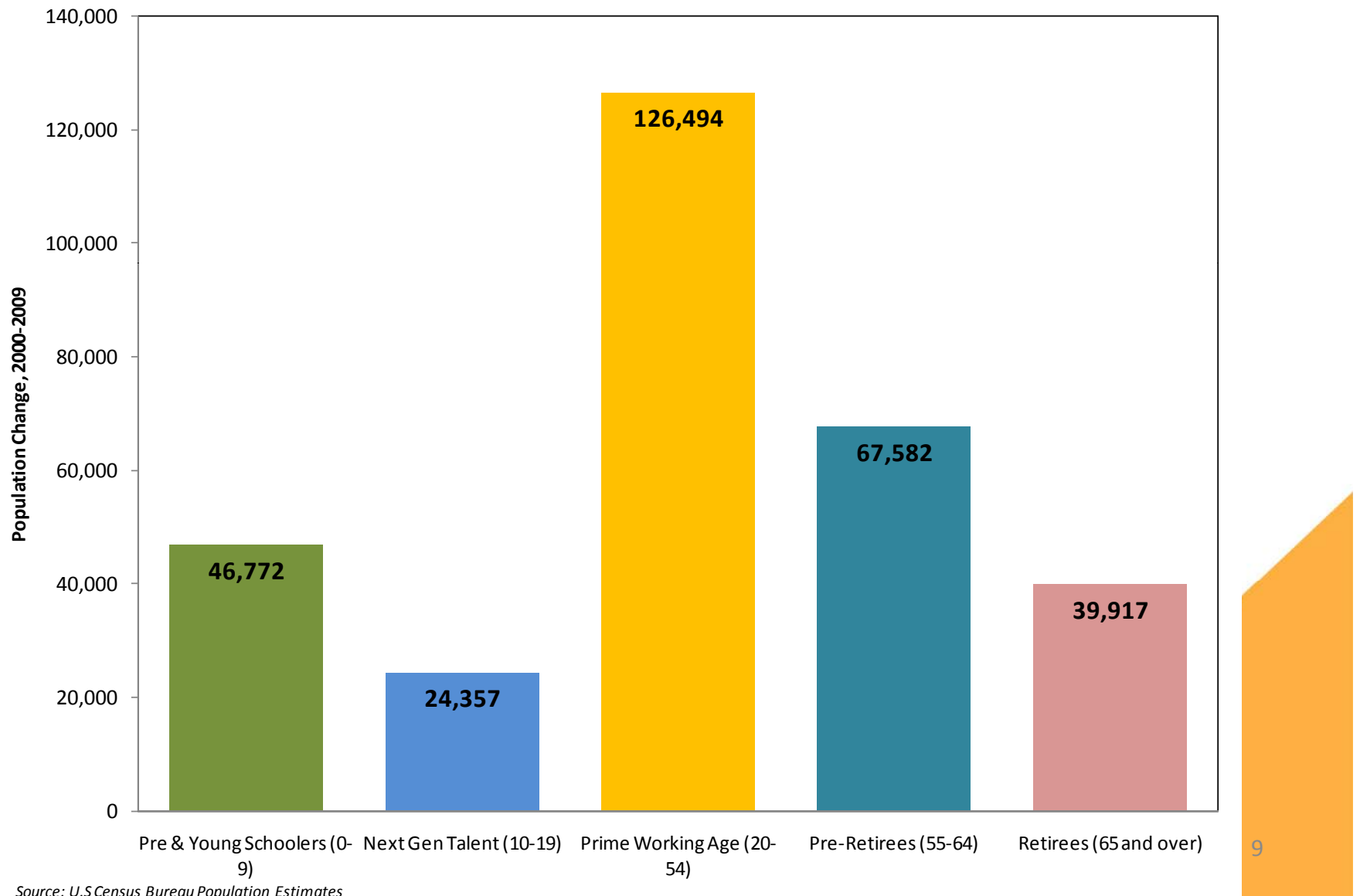
Source: US Internal Revenue Service

# Largest Origins and Destinations of Nashville Area Migrants, 2007-2008



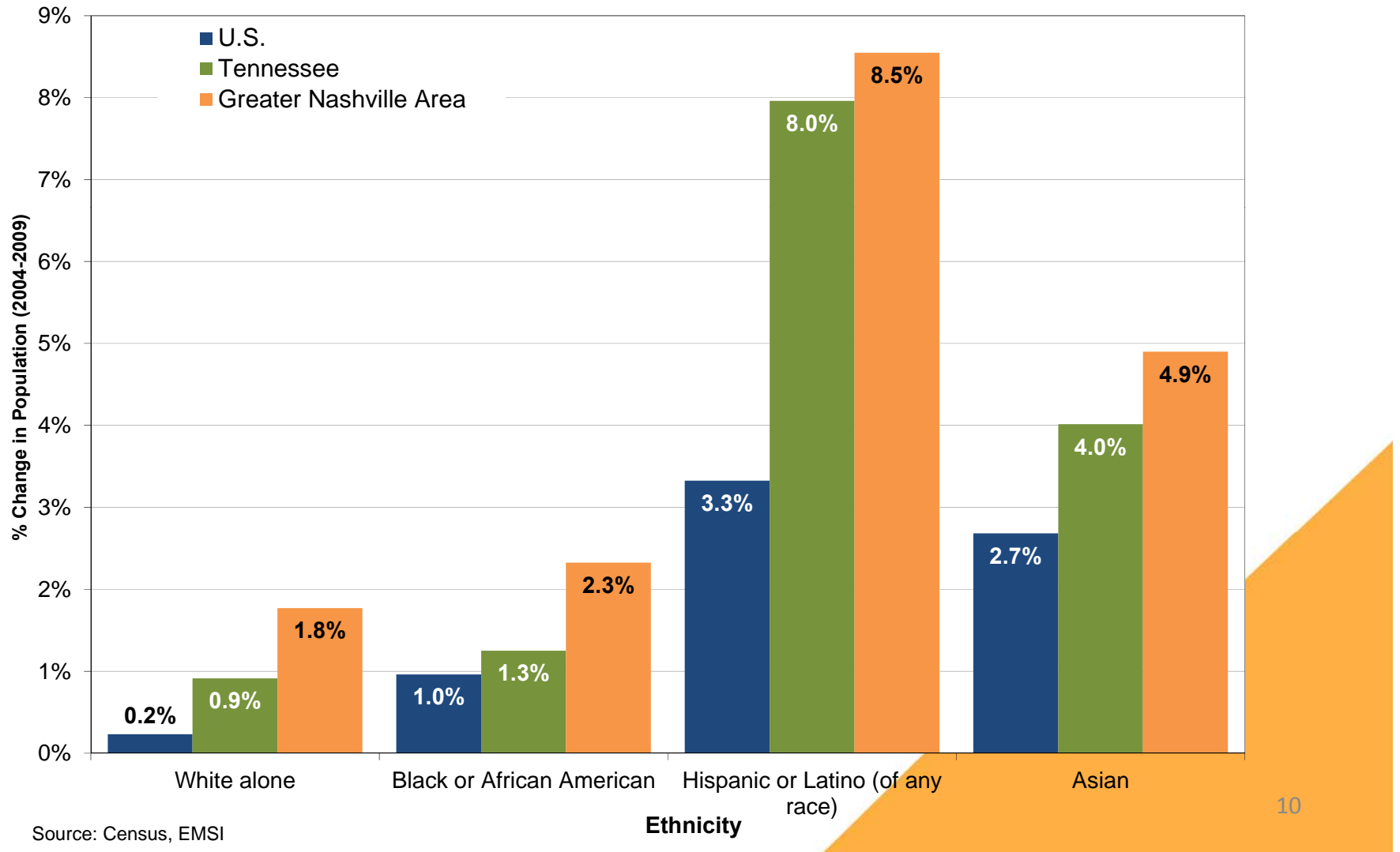
Source: IRS

# Age Structure of the Existing Population



Source: U.S. Census Bureau Population Estimates

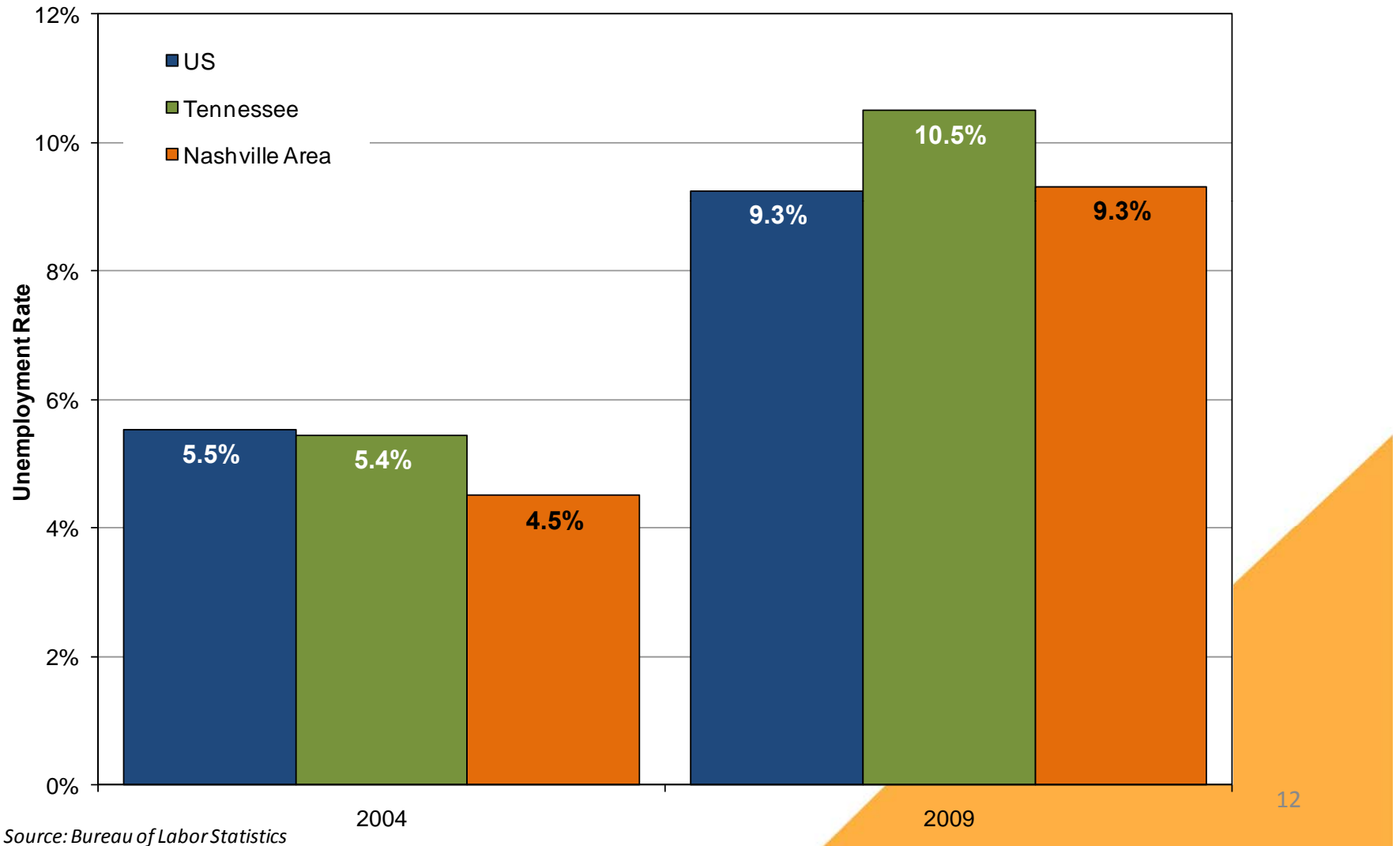
# Population Growth by Ethnicity



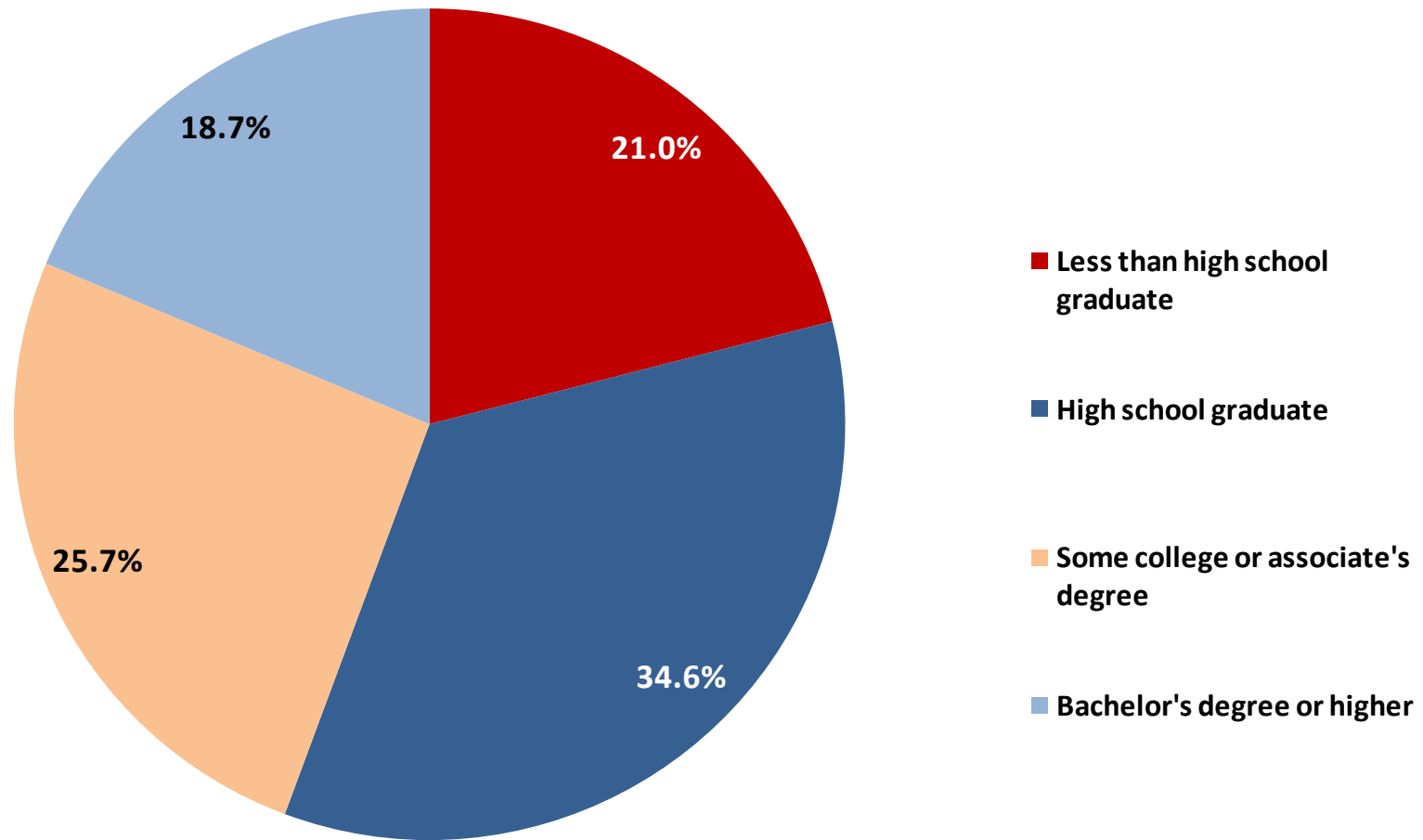
# WORKFORCE SUPPLY

Unemployment Up;  
Lower Skill Workers at Greatest Risk

# Unemployment Rate

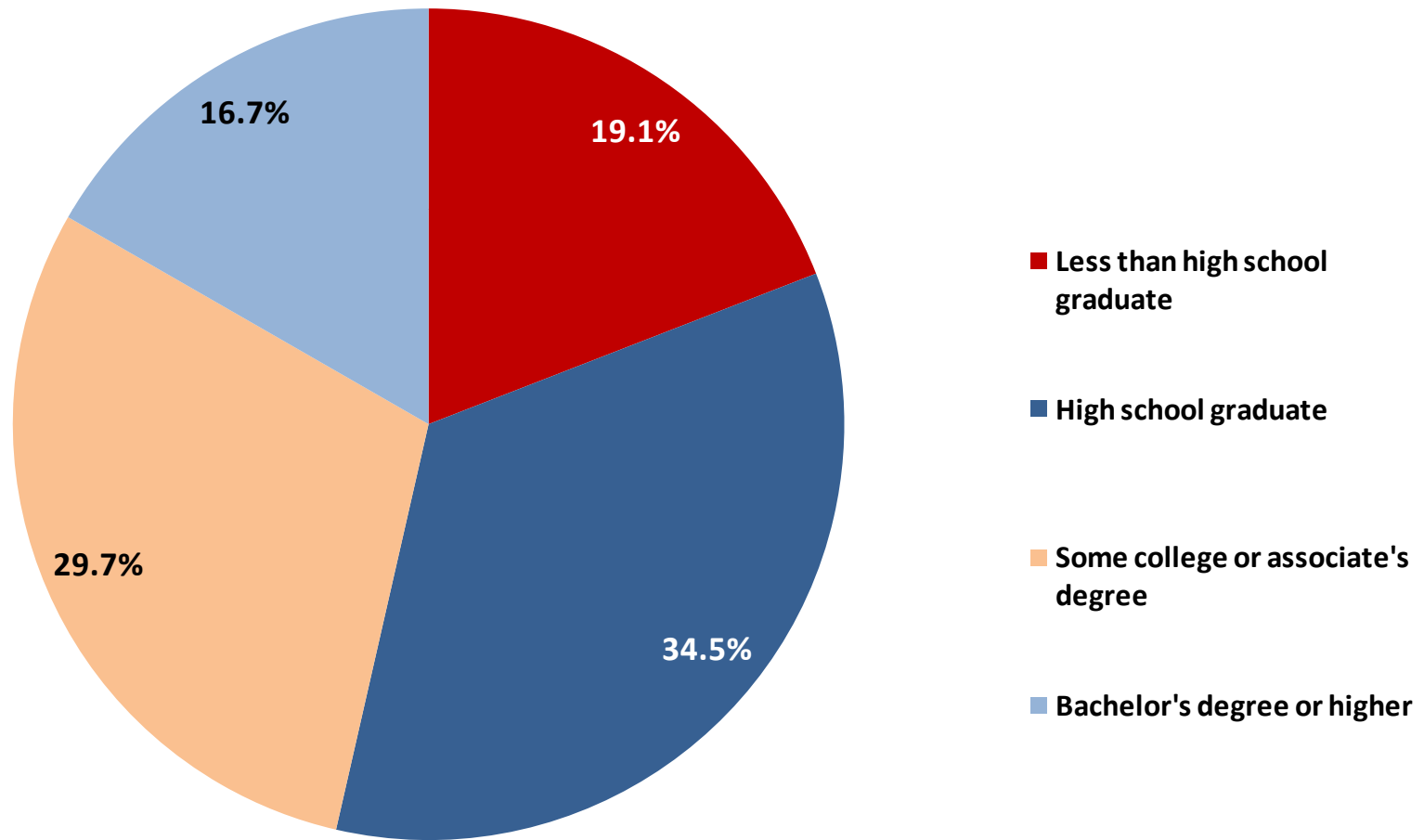


# Unemployment by Educational Level in Nashville Market Area (2006-2008)



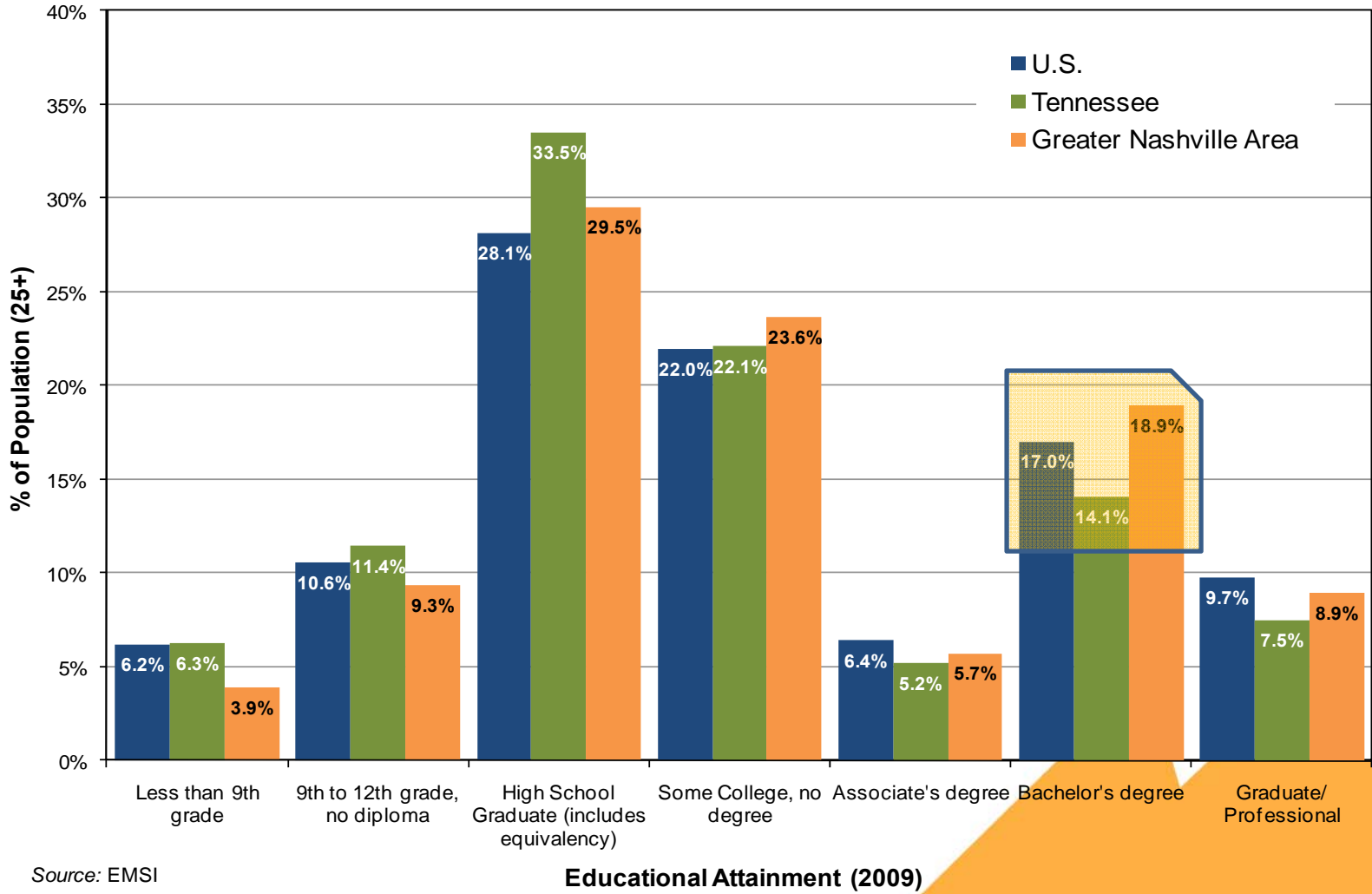
Source: American Community Survey

# Unemployment by Educational Level in Nashville Metro Area (2009)



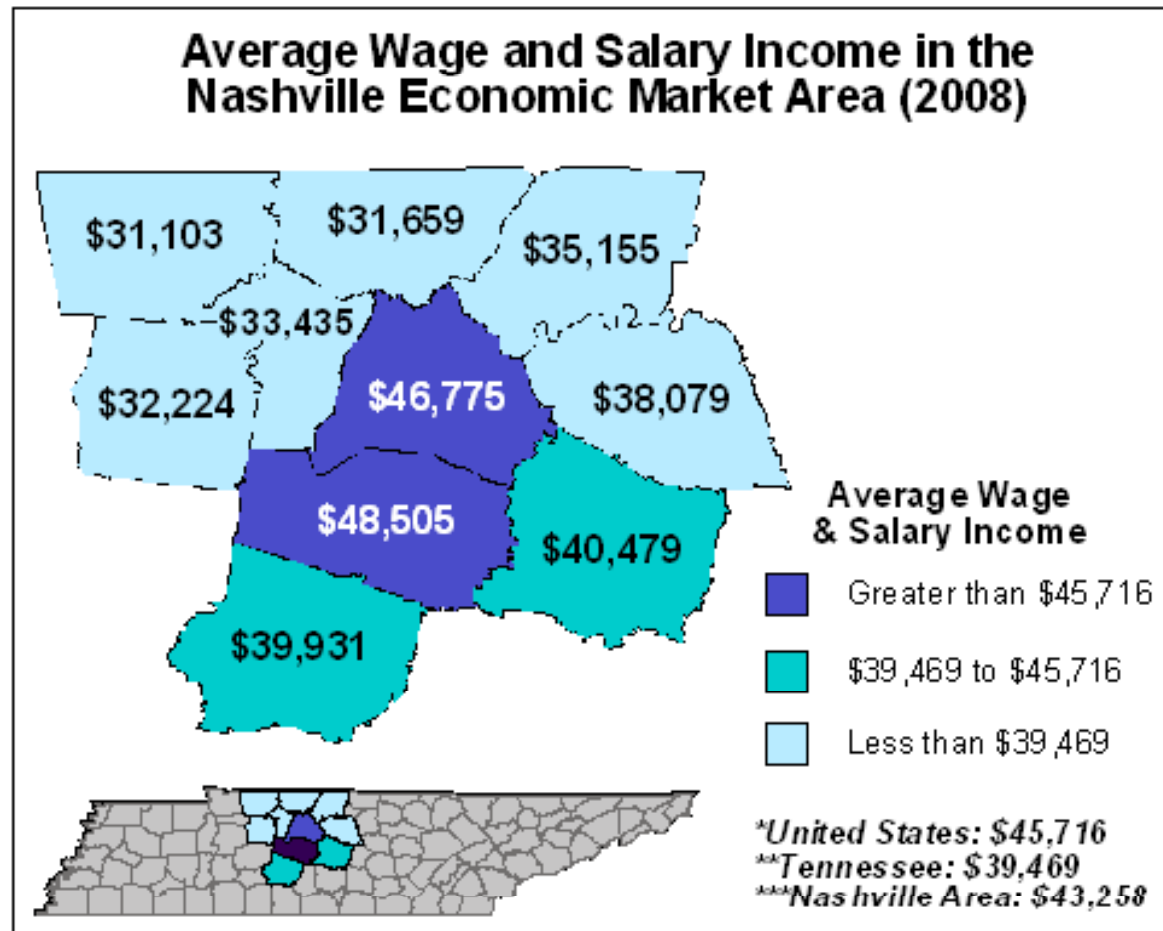
Source: American Community Survey

# Educational Attainment of Population Aged 25 and Above



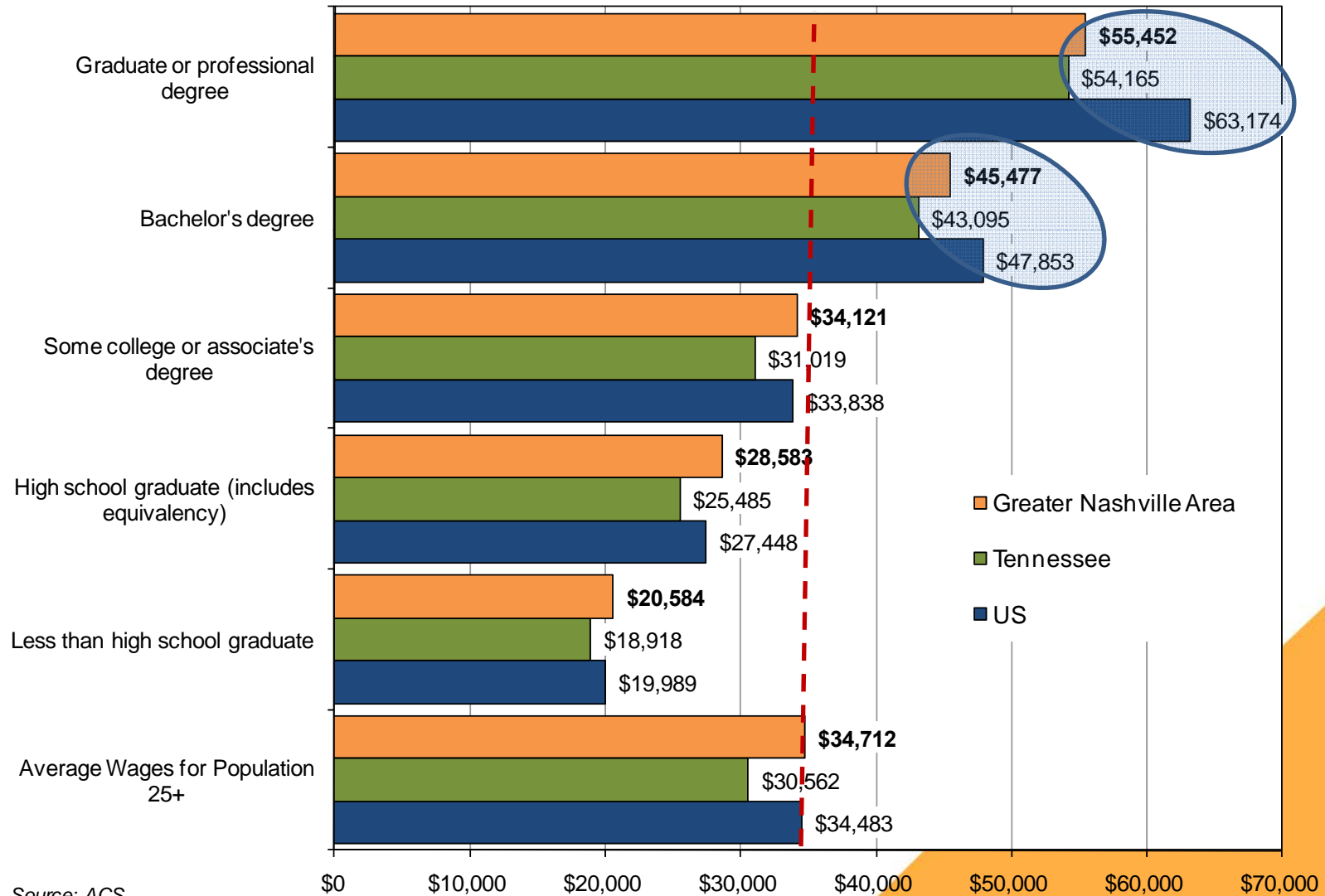
Source: EMSI

# Areas with Concentrations of High Educational Attainers



Source: US Bureau of Economic Analysis

# Earnings by Educational Attainment (2006-2008)



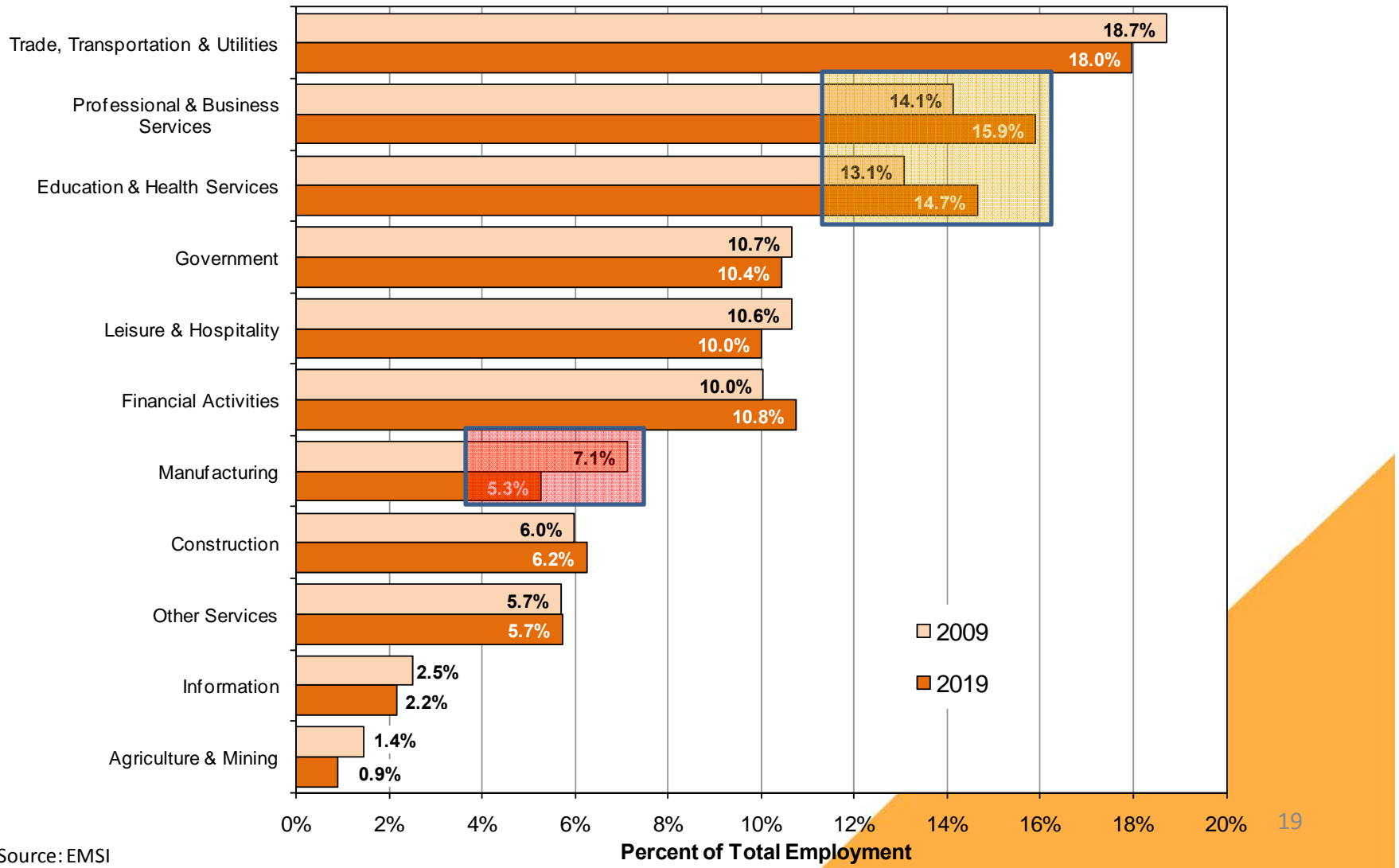
Source: ACS

# WORKFORCE DEMAND

Continued Opportunities in Services,  
Extended Road to Recovery

A thick orange line graph with an upward-pointing arrow, set against a red background with a dark red diagonal gradient. The line starts at the bottom left, rises to a peak, falls to a trough, and then rises again to an arrowhead pointing towards the top right.

# Nashville Supersectors as Percent of Total Employment



# Projected “Supersector” Industry Growth Trend

	Nashville Economic Market Area			U.S
Supersector	2009 Emp Estimate	Emp Change 2009-2019	Annual Growth Rate	Annual Growth Rate
Trade, Transportation & Utilities	199,316	19,288	0.9%	0.4%
Professional & Business Services	150,418	42,933	2.5%	2.0%
Education & Health Services	139,121	39,042	2.5%	2.1%
Government	113,385	13,493	1.1%	0.6%
Leisure & Hospitality	113,268	8,416	0.7%	0.9%
Financial Activities	106,953	23,767	2.0%	1.9%
Manufacturing	75,814	-11,805	-1.7%	-0.9%
Construction	63,670	12,230	1.8%	1.0%
Other Services	60,621	8,922	1.4%	1.1%
Information	26,480	-323	-0.1%	0.4%
Agriculture & Mining	15,275	-4,326	-3.3%	0.0%
<b>Total</b>	<b>1,064,321</b>	<b>151,637</b>	<b>1.3%</b>	<b>1.1%</b>

Source: EMSI

# Fastest Growing High Wage Occupations

SOC	Occupation	Emp		Annual Growth Rate 2009-2019	Median Earnings	Educational Requirements
		2009 Emp Estimate	Change 2009-2019			
29-1111	Registered nurses	16,346	5,561	2.97%	\$28.76	Associate's degree
13-2011	Accountants & auditors	9,504	3,070	2.84%	\$21.89	Bachelor's degree
43-1011	First-line supervisors/managers of office & administrative support workers	12,110	2,297	1.75%	\$20.66	Work exp. in a related field
11-9199	Managers, all other	10,695	2,109	1.82%	\$20.27	Work exp. in a related field
13-1111	Management analysts	5,939	1,955	2.89%	\$25.36	Degree plus work exp.

Source: EMSI  
Greater than Regional Median Earnings of \$17.30

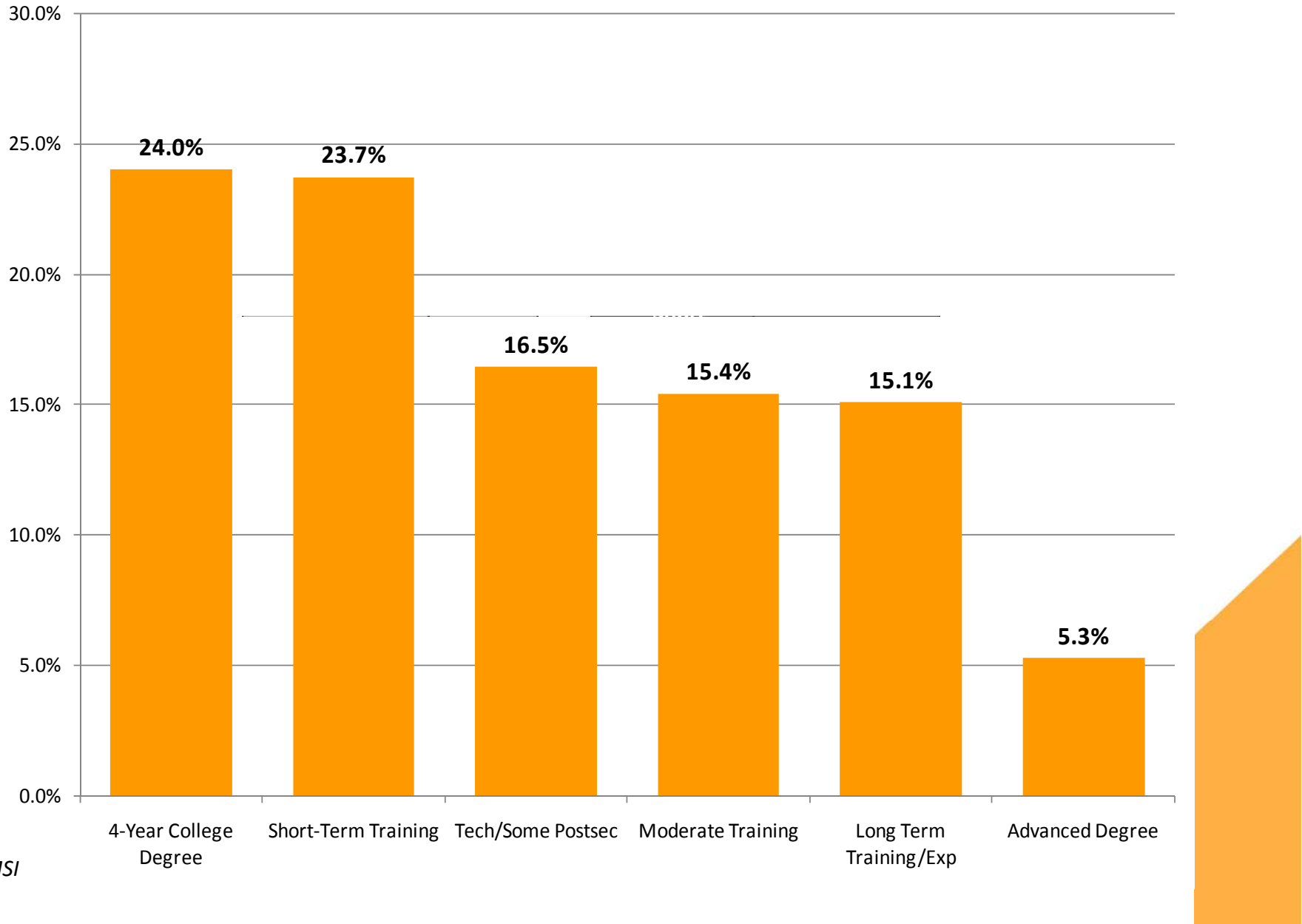
# Preparing for Transition

## The region's Most at-risk Occupations

SOC	Occupation	2009 Emp Estimate	Emp Change 2009-2019	Annual Growth Rate 2009-2019	Median Earnings	Educational Requirements
11-9012	Farmers & ranchers	9,161	(3,456)	-4.63%	\$7.26	Long-term OJT
51-2092	Team assemblers	11,085	(1,102)	-1.04%	\$18.79	Moderate-term OJT
35-3021	Combined food preparation & serving workers, including fast food	18,008	(779)	-0.44%	\$8.07	Short-term OJT
11-9011	Farm, ranch, & other agricultural managers	2,218	(654)	-3.43%	\$11.15	Degree plus work exp.
53-7064	Hand packers & packagers	5,014	(477)	-0.99%	\$9.38	Short-term OJT

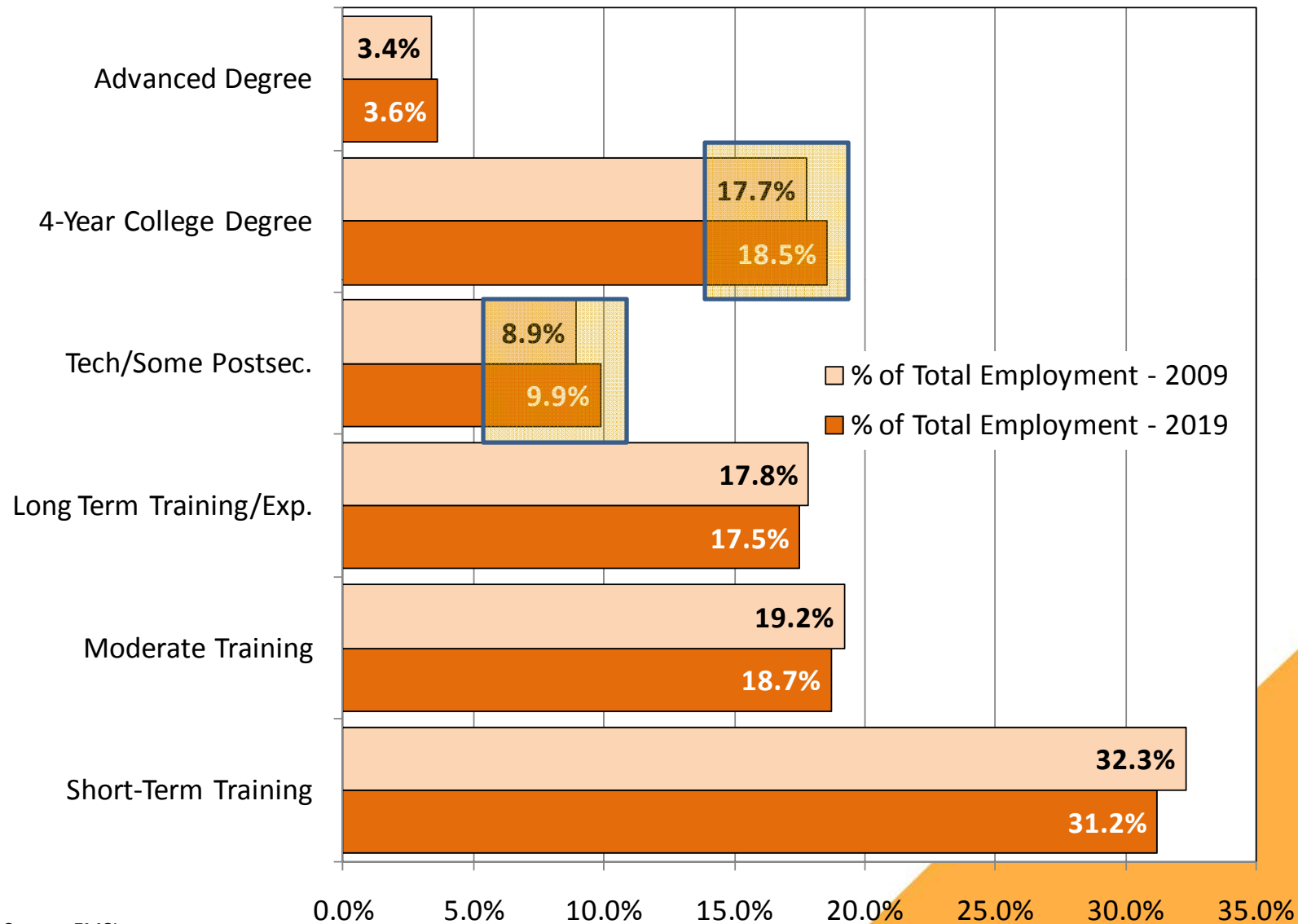
Source: EMSI

# Employment Share by Education Requirement



Source: EMSI

# Employment Composition by Education



Source: EMSI

# Summary of Regional Workforce Demand

- Employment growth to return
  - Added 46,000 net new jobs since 2004; but lost ground during the recession;  
Not enough to retain full employment
  - Back to full employment by 2014/2015
  - Expected to add more than 150,000 jobs by 2019
- Two-thirds of new employment growth will occur in 3 economic supersectors:
  - Professional & business service
  - Education & health services
  - Trade, transportation & utilities
- Highest growth in high skill occupations:
  - Nursing
  - Accounting and financial management
  - Various managerial positions
  - High skill IT-related occupations
  - Truck driving



# The Potential Labor Market Gap

<b>Estimated Need for Workers</b>		
A	Labor Force Aged 16+ (2009)*	894,051
B	Labor Force Aged 16+ (2019 Projected)*	942,188
C	Projected Net New Workers (B-A)	48,137
D	Available Unemployed Workers (2009)	80,231
E	Unemployed at "Full Employment" (est. 4%)	34,508
F	<i>Total Available Workers 2009 Due to Recession (D-E)</i>	<i>45,723</i>
G	Total Existing Local Workers Available by 2019** (C+F)	93,860
H	Projected New Job Creation (2009-2019)	151,637
I	Projected Additional People Required for these New Jobs***	117,548
J	<b>Projected Gap by 2019 (H-G)</b>	<b>23,688</b>

*Calculations: CREC based on Data from EMSI, DemographicsNow*

*\*Based on Population times estimated labor force participation rate in 2008 and 2018 as published in BLS, "Labor Force Projections to 2018," Monthly Labor Review, November 2009.*

*\*\*Assumes unemployment rate of 4.0%*

*\*\*\*Assumes 1.2 jobs filled by each person in the labor force (similar ratio as 2009) due to combination of turnover and individuals holding multiple jobs*

# KEY CLUSTER TRENDS

Growth “Engines” Rebounding,  
But the “Bounce” Varies Widely

# Where the Jobs Will Be: Health Care



## Key Industry Trends

- Aging population driving increased demand
- Increased competition between medical service providers in retail settings vs. traditional hospital or medical offices
- Uncertain impact of health care reform

## Key Occupations and Workforce Issues

- Family practice physicians
- Nursing and allied health
- Health care programmers and IT support



# Where the Jobs Will Be: Information Technologies

## Key Industry Trends

- Banking, distribution, and health care administration big regional drivers
- Increased pressure to improve worker productivity

## Key Occupations and Workforce Issues

- Continuous demand for IT workers throughout the recession
  - Specialized programmers, engineers, network systems managers & analysts
- Continuous professional/skill development
  - Technology leads to rapid erosion of skills
- Need for contextual knowledge from multiple fields
  - E.g., IT/healthcare, IT/Finance



# Where the Jobs Will Be: Headquarters

## Key Industry Trends

- Found across a wide array of clusters – health care, finance/insurance, manufacturing, information, restaurants, etc.
- Growth projected in these activities, competing for regional and national HQs

## Key Occupations and Workforce Issues

- Executives and managers
- Finance professionals
- Administrative personnel
- Customer service representatives





# Where the Jobs Will Be: Finance & Shared Services



## Key Industries in Cluster

- Traditional and specialty insurance, accounting, and regional banking
- Data mining, medical utilization management, insurance intermediation, and employee benefit consulting

## Key Occupations and Workforce Issues

- Jobs of varying skill-level required across the industry
- In demand skills include: Basic IT, communication, ability to manage high skill and technical people





# Where the Jobs Will Be: Creative Economy



## Key Industry Trends

- Large proportion of proprietors and independent artists
- Recession's reduce willingness for individuals risk-taking
- Importance of the region's artistic "milieu" as an amenity for other high skill sectors

## Key Occupations and Workforce Issues

- Increased demand for content providers (writers, artists)
- Need for business and career management skills (e.g., music management) integrated with "talent"





# Where the Jobs Will Be: Advanced Manufacturing

## Key Industry Trends

- Investments in capital lead to increased productivity, but also job loss
- Major “unexpected” investments can change projections

## Key Occupations and Workforce Issues

- Replacements and incumbents alike will need: increased technical skills, greater flexibility across jobs and occupations
- Firms looking for:
  - Machine operators, industrial engineering techs
  - Chemical and electronic engineers



# Where the Jobs Will Be: Distribution and Logistics

## Key Industry Trends

- Increase in sophisticated information management systems
- Traditional retailers and wholesalers are assuming greater role in distribution activities

## Key Occupations and Workforce Issues

- Increased demand for heavy truck drivers with CDL and updated safety certifications
- Increased demand for IT and engineering personnel familiar with logistics operations



# Where the Jobs Will Be: Hospitality



## Key Industry Trends

- Huge impacts from spring flooding, future growth from new projects
  - Music City Convention Center downtown
- Declines in business and leisure travel may begin to see the “light at the end of the tunnel”

## Key Occupations and Workforce Issues

- Most in-demand occupations require OJT
- Greater need for incumbent worker supervisory and customer service skill training
  - STEM areas in food, worker, and customer safety
- Older workforce reduces turnover
  - e.g., front desk and housekeeping personnel





# Where the Jobs Will Be: Construction



## Key Industry Trends

- Recession have great impact on regional construction industry, but several large projects will create opportunity
- Significant changes afoot in construction methods and processes
  - LEED and green-related construction outpacing the market's willingness to pay a premium
  - Adoption of building information modeling (BIM) in the design phase will likely improve construction processes, reduce down time and costs

## Key Occupations and Workforce Issues

- Continued gap in finding electricians and carpenters with appropriate skills
- Greater need for existing project managers, selected construction engineers, and/or front-line supervisors
  - Need for some additional skills to improve competitive position

# Summary: Key Clusters

## Where the Jobs Will Be... Eventually

- Health Care
- Headquarters
- Finance & Shared Services
- Distribution and Logistics
- Information Technology,  
esp. for
  - Health care
  - Logistics
  - Finance
- Hospitality

## Where Key Challenges Exist

- Construction
- Advanced Mfg
- Creative Economy



# Policy Implications

## Challenge

## Strategy Recommendations

Short-term unemployment

- Improve information dissemination about job opportunities (e.g., web-scraping & real-time LMI)
- Improve efficiency of labor market exchange (e.g., [www.myskillsmyfuture.org](http://www.myskillsmyfuture.org))
- Target training for incumbent workers (to save jobs)

Long-term worker shortages

- Increase labor force participation among older and special populations
- Reinforce in-migration (and retention) of skilled workers through unique amenities & academic programs

Targeting to growth sectors

- Identify specialized education/training needs for target sectors
- Fill curriculum and program gaps and provide contextual learning opportunities to meet sector *SKILL* needs
- Expand internships/apprenticeships at colleges and universities to help with work readiness

Preparing the talent pipeline

- Increase career education esp. re: high skill high demand occupations
- Increase college graduation rates, esp. STEM disciplines
- Enable greater access and incent completion of post-secondary programs through support programs

**Thank you**

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