

2025 VISION

A LOOK AT THE
PAST, PRESENT AND
FUTURE STATE OF
WEST MICHIGAN'S
WORKFORCE SYSTEM



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EXECUTIVE SUMMARY

Talent 2025 has always believed in accountability – for the organization, for the collective efforts of our members and, most importantly, on behalf of the region we serve. So fundamental was this concept that it was built into name of the organization upon its establishment in 2010 – specifically, that West Michigan would be a top 20 talent region by the year 2025.

We are now well into the second half of our quest. And we are much closer to our goals than ever. Staying on track, however, will require a renewed focus and sense of urgency. In the final miles of this journey, it is imperative that we keep our objectives within sight.

That is the purpose of this report: 20/20 Vision.

The report provides the most comprehensive review to date of the talent system of the 13-county region of West Michigan – what’s working, what needs improvement, what the various stakeholder groups need from one another, where better alignment is needed, what the evidence reveals. All research was geared toward addressing our core objective: how to become a top 20 employment region by 2025.

2020VISION

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ACKNOWLEDGMENTS

This report is the product of a collaborative approach that has been a hallmark of Talent 2025 since its founding in 2010.

Our CEO-led working groups provide the foundation for this work, using data to illuminate challenges, evaluate solutions and advocate for leading practices to improve talent attraction, development and retention. West Michigan is fortunate to have a corporate community working diligently to improve our talent resources by engaging directly with education, workforce development, economic development and nonprofit leaders.

We are grateful for the employers who shared their insights for this report through interviews and surveys. We also wish to thank the thought leaders from multiple stakeholder groups who contributed their expertise in education, human services, workforce development and economic development.

These invaluable contributions do more than inform this report. The passion, expertise and collaborative spirit of these leaders will provide the basis for elevating West Michigan as a top 20 employment region.

PHOTO CREDITS

Experience Grand Rapids, pages 20, 30, 54 (Lake Michigan and downtown Grand Rapids only)
Grand Rapids Community College, pages 47 and 64

Drawing on the Region's Expertise

The report is based on existing research, progress toward benchmarks, examination of collaborative efforts and insights from the region's stakeholders, including the more than 100 CEOs who make up the membership of Talent 2025. This included more than 25 hours of interviews with over 60 West Michigan thought leaders across eight groups of stakeholders: K-12 Education, Community Colleges, Four-year Colleges and Universities, Employers (including Chambers of Commerce, Economic Development and Professional/Industry Groups), Foundations and Funders, Nonprofit Community Partners, Public Workforce Development, and Staffing Agencies.

These responses, supplemented with online surveys, produced more than 350 pages of qualitative insights. The Calvin College Center for Social Research assisted by categorizing this information into quantitative data, bringing into focus the priorities of the region's stakeholders.

Additional resources included national and regional research, and resource mapping based on regional and national scans of evidence-based practices.

The objective was to define the key components and alignments of a best-in-class workforce system that builds on leading practices identified locally, nationally and through the insight of stakeholders already doing this work.

Key Findings

Several consistent themes emerged in the research.

- The first was a virtually unanimous assessment that West Michigan's greatest advantage may be its unique spirit of collaboration. In fact, the research indicated so much work is being done that the real challenge is aligning and coordinating those efforts.
- Another noteworthy observation was that the region has already developed many practices that can be considered good – even worthy of national recognition – but not yet universally great.

It is important to acknowledge we cannot hope to attain top 20 status by performing at levels that are merely good.

The willingness and ability to make this leap, from good to great, will be the defining factor between achieving our objectives or settling for something less. This will be some of the most challenging work we have yet faced. And yet the stakes are too high to turn away from the challenge.

- The reason is revealed in another key finding: Even amid near-record unemployment, too many in our region have been left behind in the long, difficult recovery from the Great Recession. These shortfalls hit some groups the hardest: racial and ethnic minorities, people lacking education and skills to compete in a modern workforce, families barely getting by. It is a bitter irony that, amid one of the longest sustained recoveries in history, life has not improved for many in West Michigan. The cost is devastating to families, individuals, employers and our region as a whole.
- Finally, our research discovered a desire across every sector to improve coordination of efforts. Employers, for example, recognize the need to clearly communicate about the skills and education they require of their workforce. Educators



recognize the challenge to prepare today's students for a knowledge- and skills-based economy. When mutually beneficial practices such as these are aligned, our workforce system begins to operate at maximum efficiency. Employers get the talent they need to thrive. Students enter the workforce prepared for success. Individuals find fulfilling employment. Families gain economic mobility. Our entire region is more competitive in a global economy.

Recommendations

- 1 Raise awareness of education and lifelong learning as essential for success.**
Promote post-secondary education and training for a knowledge-based economy.
- 2 Reduce barriers to employment and workforce participation.**
Expand career and economic mobility.
- 3 Build broad employer engagement with educators and workforce leaders.**
Expand number of employers providing information about education and training needs.
- 4 Increase the quality and frequency of information about demand for jobs, aligning more education and training programs to careers.**
Increase specificity and regularity of reporting on talent needs.
- 5 Improve career exploration, coaching, and navigation.**
Help students and adults find the best job and career path suited to them.
- 6 Align public policies and investments toward evidence-based strategies.**
Invest resources wisely by focusing on proven strategies.
- 7 Become a national leader in workforce development.**
Build on West Michigan's recent success, assets and collaborative spirit.
- 8 Prioritize credential attainment.**
The percentage of adults without a diploma must be reduced significantly while high school graduation rates and post-secondary credentials increase.
- 9 Attract and retain more educated talent.**
Keep most of our educated and skilled talent and become a more welcoming and inclusive place.

In Conclusion

West Michigan learned some painful lessons in the wake of the last economic downturn. Our economy, education systems and workforce were ill-prepared for the transition to a knowledge-based economy. The low-skill production jobs that sustained past generations of middle-class families were disappearing. Fortunately, our region came together and resolved to not accept this.

The work is not done. But it is hard to imagine a better set of circumstances to continue that push from good to great. Building on gains from efforts to date – reinforcing education and employer involvement, focusing on proven methods to encourage lifelong learning and addressing employment barriers – we place West Michigan on strong footing to pursue that top 20 status.

Continuing our forward progress now, amid a healthy economy, prepares us for the next downturn. It guards against the unknown upheaval of a new automation age. We owe it to ourselves and future generations to continue this journey. This is our vision.

WHAT FUTURE DO YOU SEE FOR OUR REGION?



TALENT 2025 HAS ALWAYS SEEN A PLACE WHERE:

1

Robust education and employment opportunities are available for everyone.

2

Employers have access to the finest talent resources in the country.

3

We set the standards to which other regions aspire – in quality of life and economic prosperity.

We get there through the unrelenting focus that began with Talent 2025's founding in 2010.

In 2010, business leaders recognized West Michigan was at a crossroads: It could accept an inadequate talent system resulting in educational performance and economic development that lagged the rest of the nation, or it could capitalize on a legacy of innovation to make West Michigan a top 20 employment region, improving the business climate and overall quality of life. This was the start of Talent 2025, serving the counties of Allegan, Barry, Ionia, Kent, Lake, Mason, Mecosta, Montcalm, Muskegon, Newaygo, Oceana, Osceola and Ottawa. We focused on this region because it provides the talent pool from which local employers employ 83.6 percent of their workforce. We took a regional approach to identify and address systemic challenges while recognizing many West Michigan communities and populations require solutions specific to their circumstances.

The response has been impressive. Leaders in business, education, and workforce development across the 13-county region are working together like never before, pioneering nation-leading practices in talent attraction, development and advancement. These initiatives span from cradle to grave, and each plays an important role in the region's future. Efforts are more aligned and fewer silos exist.

More than eight years later, it is time to assess our progress and current performance. That is the purpose of this report: to envision how we can ensure West Michigan's workforce system – the collective effort to help adults have employment and career success – is among the best in the nation.

This report summarizes the current state of West Michigan's workforce strategies. We've measured ourselves against other regions, highlighted leading practices across the nation, and identified the barriers faced by our neighbors who are not working or who lack the education or skills to land one of the many good-paying jobs available today.

Our vision is to make West Michigan a top 20 employment region by the year 2025. As you will see in the pages that follow, that better future is within sight.

If you have the wrong people, it doesn't matter if you discover the right direction; you still won't have a great company. Great vision without great people is irrelevant.

Jim Collins

SECTION 1

GOING FROM GOOD TO GREAT

Talent determines our future. More than ever, competitive advantage and economic success for West Michigan will be determined by the quality and availability of a skilled, trained and engaged workforce.

Earning potential increases with education level. One study estimates the holder of a bachelor's degree can double the lifetime earnings of someone with a high school diploma.¹ The same report notes that post-secondary education can be a safeguard against unemployment when the economy lags. The vast majority of jobs created since the Great Recession have required training beyond high school.² We know companies examine the quality of a region's workforce when looking to expand or relocate. This is the way of the future. Education and skills are the currency for a knowledge-based economy.

This is especially relevant for West Michigan at this point in our history. Even as we have turned the corner by addressing the challenges of the last decade, near-record unemployment compels job providers to take dramatic steps to ensure they have a ready pipeline of talent to meet their needs now and in the future. Fortunately, we have built a foundation to address those challenges and address new ones as they arise.

West Michigan is respected as a leader in many aspects of workforce development, and for good reasons. A robust collaborative spirit, innovative programs, engaged employers, and a generous and progressive philanthropic community all contribute to the region's competitive advantage.

¹ "Eight economic facts on higher education," The Hamilton Project, April 2017.

² "America's Divided Recovery," Georgetown University Center on Education and the Workforce, 2016.

Invigorated by a sense of urgency to improve the talent system, our community has leveraged its advantages to drive success in recent years. Objective measures prove it. West Michigan continues to advance in key performance indicators when compared to peer communities, as well as in national rankings.

But this region, with its rich history of entrepreneurship and innovation, has never settled for "good" results. We want to be the best in the country in attracting, retaining and developing talent.







Now is the time to apply all our advantages and build on our recent accomplishments. Innovative leading practices have already been proven to work here. It is time to capitalize on those. It also is time to recognize that we don't have all the answers – but we can adopt and improve upon practices pioneered elsewhere. Success can be self-sustaining by drawing on outside contributors who wish to take advantage of an environment that encourages innovation and evidence-based practices.



“What we are hearing from our employers is, most of the time, the employers usually are ten steps ahead of us, ahead of the institutions that are needing to train people.” – TALENT 2025 WORKFORCE SYSTEM INTERVIEW PARTICIPANT

The difference between a good and great workforce system.

We all have a role to play, from every sector and across every stakeholder group. We owe it to our community to advance West Michigan's workforce development from good to great – from middle school to post-secondary education and career exploration for students to lifelong learning for adults.

Stakeholder Groups	GOOD Workforce System Characteristics	► ► Strategies to a GREAT Workforce System ► ►	GREAT Workforce System Characteristics
Employers 	<ul style="list-style-type: none"> Assess current and future talent needs. Respond with new talent development, attraction, and retention strategies. Work with education and workforce leaders to promote in-demand jobs and careers. Align education and training programs. 	<ul style="list-style-type: none"> Use evidence-based practices for hiring and talent development. Partner with other employers in their industry to forecast demand. Communicate competency requirements to talent suppliers, employees, parents, and students. Participate in efforts to alleviate barriers to employment and causes of turnover. 	<ul style="list-style-type: none"> All employers recognize value of a well-educated and trained workforce for themselves and the region. Talent development is seen as a strategic goal of every CEO, HR leader, and hiring manager. Employers partner with education and workforce leaders to create talent pipelines and develop the workforce using high-quality talent demand data.
Education (K-12, Post-secondary) 	<ul style="list-style-type: none"> Recognize need for greater college- and career-readiness and post-secondary credential attainment for local employers and long-term economic success. Partner with employers to align curricula and programs. Show potential career paths to students. 	<ul style="list-style-type: none"> Align curriculum, training, and credentialing to the needs of employers. Help students integrate career exploration and work experience with classwork. Help parents support career exploration and decision-making. Connect with resources to address ecosystem challenges. 	<ul style="list-style-type: none"> Educational strategies accelerate college- and career-readiness and post-secondary credential attainment. The community and businesses are extensions of the classroom, so career exploration and work experience help make school subjects relevant. Mastery of employability skills is emphasized as much as the acquisition and application of content knowledge. Industry partnerships align talent supply and demand.
Workforce Development (Public, Nonprofits) 	<ul style="list-style-type: none"> Understand role and value in helping job seekers increase education and skills to meet needs of employers while putting individuals on a path to economic mobility and career success. Support education and skill attainment for incumbent workers. 	<ul style="list-style-type: none"> Align curriculum, training, and credentialing to the needs of employers. Help adults integrate career exploration and work experience with education and training. Partner with others to encourage upward mobility of job seekers and the employed. 	<ul style="list-style-type: none"> Programs and resources are aligned to the needs of employers. Evidence-based strategies improve job-training programs that lead to employment. Collaborations with other agencies and organizations design supports around the needs of the individual.
Funders 	<ul style="list-style-type: none"> Recognize need to increase educational attainment. Invest in education, job training, and other programs that lead to employment. Invest in evidence-based programs that address barriers to educational attainment and employment. 	<ul style="list-style-type: none"> Align funding to evidence-based strategies. Support innovative strategies to address unmet needs. Work with other funders to leverage resources. Incentivize collaboration to maximize impact. 	<ul style="list-style-type: none"> Systemic strategies among funders and service providers address education and training needs of employers, as well as barriers to education and employment. Applied research projects evaluate programs as evidence-based strategies that can be scaled. A broad understanding of the talent system allows informed investments to lead or support key initiatives.
 Policymakers 	<ul style="list-style-type: none"> Recognize the need to increase post-secondary attainment among adults in and out of the workforce, as well as young adults. Implement specific policies and programs that replicate or scale evidence-based strategies. 	<ul style="list-style-type: none"> Align policy and funds to support evidence-based strategies. Support demand-driven solutions. Use data to support decision making. Obtain regular reports on progress, barriers and needs. 	<ul style="list-style-type: none"> Policies address education and workforce needs systemically. Direct public investment to interventions to interrupt those causes that lead to larger public investments in rework.
Individuals 	<ul style="list-style-type: none"> Place greater value on all types of post-secondary education: certificates, degrees and lifelong learning. 	<ul style="list-style-type: none"> Equip students and job seekers with the skills and resources to make informed education, employment and career decisions. 	<ul style="list-style-type: none"> Individuals recognize the value of post-secondary education and training and seek opportunities that align their interests and skills with the needs of employers.



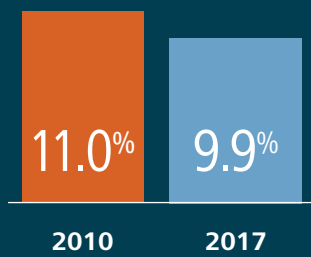
Good, not great yet.

The more than 60 stakeholders interviewed and surveyed for this report were nearly unanimous in identifying West Michigan’s number one advantage in going from good to great: A spirit of collaboration unique to our region. However, despite the tremendous momentum in the nearly nine years since the founding of Talent 2025, we are not yet reaching full potential.

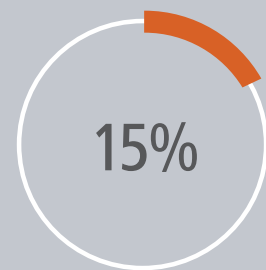
High School Diploma and Literacy

Although the number of adults who lack the bare minimum of a high school diploma has improved by nearly 11.0 percent since 2010, more than 102,000 adults in West Michigan still lack this foundational qualification (9.9 percent, 2017). More than 36,000 adults in our region are officially considered functionally illiterate (3.5 percent with less than 9th grade education, 2017). That’s almost 2,300 less than recorded in 2010 (4.0 percent), but is believed to be a significant undercount of functional illiteracy.

Adults without a high school diploma



Source: U.S. Census Bureau, American Community Survey 5-year estimates (2010-14 and 2013-17)



Estimated percentage of West Michigan adults who are functionally illiterate

“We need really good data on adult literacy. There’s no system to capture data on people with low literacy. People with low literacy are very isolated and they tend to, for multiple reasons, fly under the radar. ... Often when employers come to us, or when we go to employers, they are not aware of how many people that work for them have low literacy. They’re not aware of how significant it is or how much it’s necessarily impacting the overall function.” – TALENT 2025 WORKFORCE SYSTEM INTERVIEW PARTICIPANT

Demographics

We face demographic challenges, including declining enrollment in K-12 and higher education, the retirement of baby boomers and a minority population that is growing but whose educational outcomes trail the majority population.

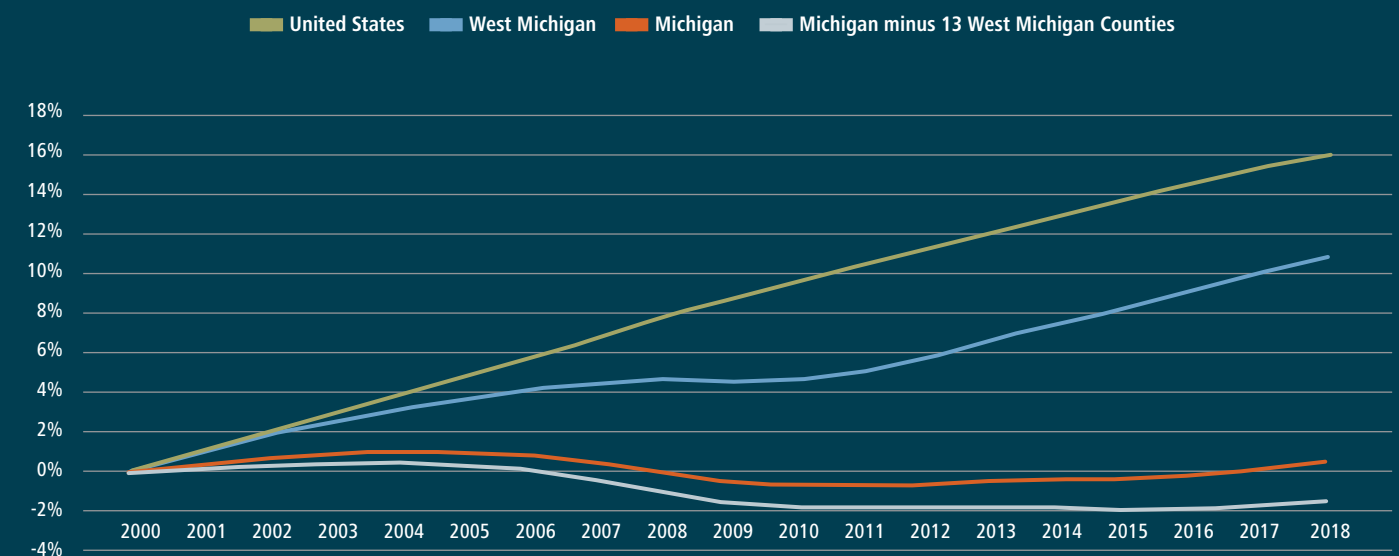
According to the state’s official portal for education statistics, MiSchoolData.org reports:

- Regional K-12 enrollment has declined by 4.1 percent over the past 15 years, while statewide enrollment dropped 11.4 percent.
- Four-year high school graduation rate stands at 81.4 percent (2016-17 academic year), a 5-year increase of 3.2 percentage points but a 10-year increase of only 1.3 percentage points.
- Post-secondary enrollment rate, or the percentage of high school graduates who enroll at an institution within six months of graduating, stands at 57 percent (2017-18). While this represents an increase of 19.6 percent from the rate observed 10 years ago, the statewide rate has grown faster, at 23.1 percent.

Data compiled by the U.S. Census Bureau’s American Community Survey shows that:

- Driven largely by increasing retirements attributed to aging of the baby boomer generation, the size of the working-age population in West Michigan (25-54) has decreased by 0.9 percent since 2012, while the corresponding labor force has shrunk by 1.5 percent (7,382 individuals).
- From 2009 to 2018, the overall population in West Michigan grew 3.7 percent (56,671 individuals). In the same time period, the population of Michigan decreased by 1.1 percent (-113,640 individuals). Nationally, the population has increased by 6.5 percent (19,542,874 individuals) since 2009.
- In the same time period, the West Michigan working-age population (ages 25-54) shrunk by 5.6 percent (-35,509 individuals). Statewide, the working-age population saw an even greater decline, with 409,528 fewer working-age individuals than in 2009. Meanwhile, the national working-age population grew 0.75 percent (953,186 individuals).
- The population of “aging workers” (aged 55+) in West Michigan has seen a dramatic growth in the period since the Great Recession, increasing by 28.1 percent (94,694 individuals) and now comprising just over 20 percent of the total regional population. Statewide, the number of workers 55 and older grew slightly slower than in West Michigan, with 21 percent growth since 2009. This compares to national growth of 25.3 percent, with 17,877,686 more individuals near retirement-age than in 2009.
- The differences in population change are even more dramatic when charted since 2000 (see below):

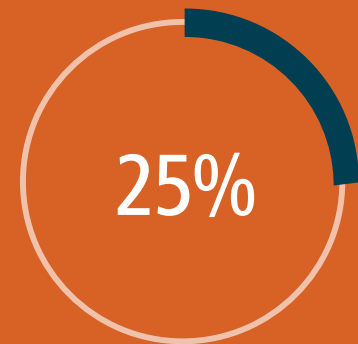
Population Change (Indexed to 2000)



Source: U.S. Census Bureau, American Community Survey 1-Year Population Estimates (2009-2017)

Other Issues

- There needs to be greater acknowledgement that lifelong learning is essential in a knowledge-based economy.
- Systemic barriers prevent many from achieving full employment and economic mobility for themselves and their families. Up to 40 percent of households struggle to afford the basic necessities to survive month to month. (See page 31)
- Even the most effective innovations developed in recent years are not yet taken to scale. Investment in programs varies from those that are highly effective to those with few demonstrable results.
- There is a lack of visibility regarding in-demand jobs and their respective career pathways.
- Nearly a quarter of online job advertisements remain unfilled for 90 days or more, preventing employers from operating at full capacity, which limits business growth and the competitiveness of our economy.
- Employers are not as engaged as they need to be in workforce planning, promoting in-demand jobs and careers, or creating a demand-driven system. Human Resources leaders play a strategic role within their organizations. They can provide opportunities for better talent development through effective partnerships with education and workforce organizations.
- Many who could be working are not because they lack education or skills. Some want to work but face unaffordable or inaccessible child care or transportation. Some face disincentives to finding work out of fear of losing support from government-funded safety net programs.



25% of online job advertisements remain unfilled for 90 days+

Human Resources leaders play a strategic role within their organizations. They can provide opportunities for better talent development through effective partnerships with education and workforce organizations.

Encouraging News

We have the ability to address these gaps, and success is within reach. It begins by recognizing this is more of an alignment challenge than a resource problem.

One Talent 2025 study conservatively estimated that \$3.4 billion is spent on talent in West Michigan annually.³

The questions remain:

- **How do we improve our return on this investment?**
- **How do we move from good to great?**

³ "Impact of Increasing Education and Employment Rates in West Michigan," Public Sector Consultants report prepared for Talent 2025, August 2016.



West Michigan is on track to hitting our goal to have at **least 64% of everyone age 25+ having a post-secondary credential by 2025**. However, new data suggests the target most likely is 70%.

SECTION 2

THE PATH TO IMPROVEMENT

To keep moving forward, we need to confront unacceptable gaps and overcome significant obstacles.

THE PERSPECTIVE FROM 2010
ASSESSING THE CURRENT STATE
IDENTIFYING AND ADDRESSING BARRIERS



THE PERSPECTIVE FROM 2010

Falling short.

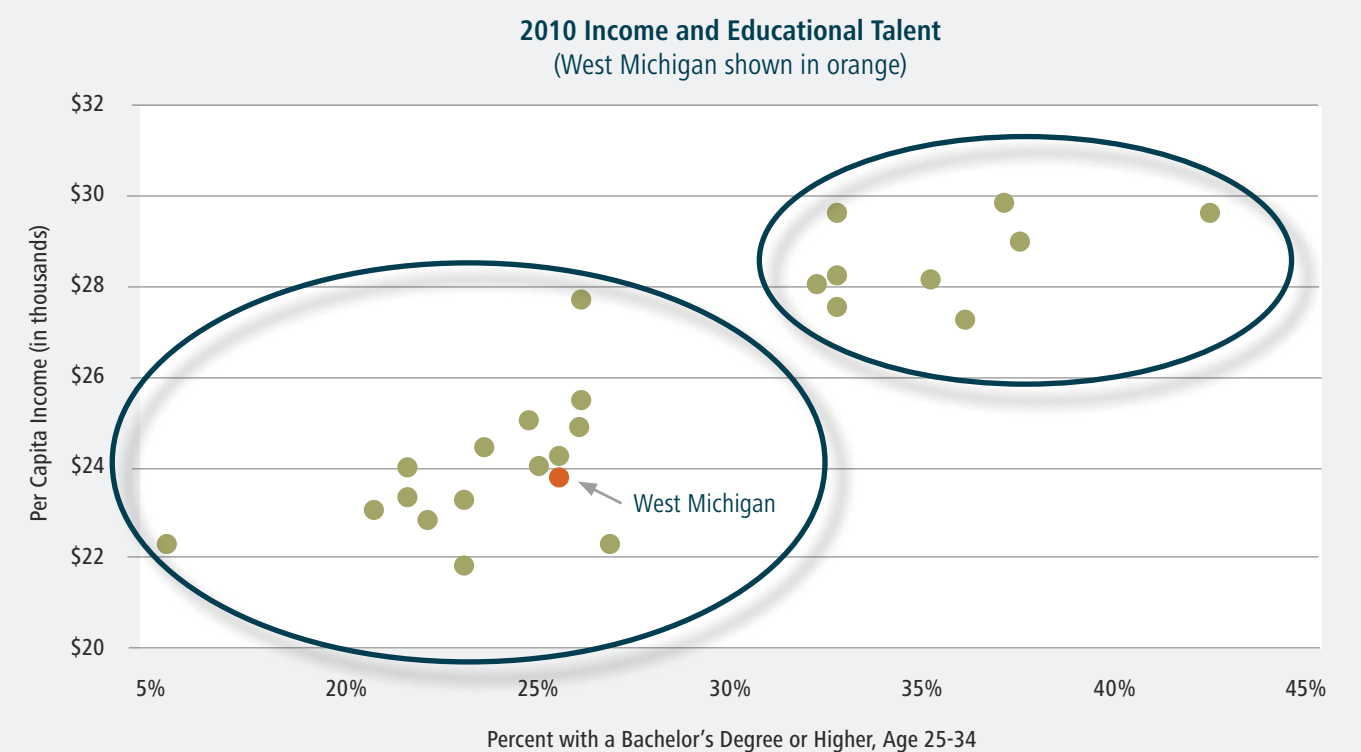
In 2010, as the shadows of the Great Recession started to recede, a group of West Michigan business leaders opened the eyes of the region to a new reality. They commissioned a report by the W.E. Upjohn Institute⁴, which concluded the region's economic trajectory was falling behind national averages and would fall further behind if nothing was done.

The primary reason was that the quality of the region's talent was below par, when looking at metrics like per capita income and post-secondary educational attainment, and didn't match the demands of employers for a more educated and skilled workforce required as they emerged from the recession.

Comparing a sampling of similar metropolitan regions, the report concluded the areas coalesced into two groups: high talent/high income vs. medium talent/medium income.

1

When benchmarked against similar regions, West Michigan fell into the medium talent/medium income category.



⁴ "Talent 2025: Assessment of the West Michigan Talent Development System," W.E. Upjohn Institute, August 11, 2010.

2 Our residents lagged the overall U.S. population in obtaining post-secondary degrees, 31.8% compared to 34.9% for the nation.

Despite reporting an overall lower rate of high school dropouts when compared to national averages, West Michigan’s dropout percentage was higher for production workers younger than 30. In previous decades, even though our region trailed the U.S., we didn’t need those higher-level education and skills. We had an abundance of low-skill, high-wage occupations. Young people without a diploma could hold production jobs and earn a living wage. That worked for a time, but it stopped working.

3 Our region trailed national averages in developing a knowledge-based workforce.

One factor was an exodus of jobs and talent not only during the recession, but even during the 2002-07 economic expansion that preceded it – as demand for traditionally low-skill, high-wage production jobs began to decline in accordance with technological advancements. The rising prominence of technology, a catalyst for our contemporary global and knowledge-based economy, also served to introduce new occupations to the labor market. This emerging cohort of middle- and high-skill occupations required new knowledge, skills, and abilities that were not previously expected of workers, particularly in the fast-growing industries of information technology, finance and business services.

4 West Michigan’s education and workforce systems were ill-prepared to fill emerging vacancies, particularly in manufacturing, IT, finance, and business services.

Upjohn researchers noted a generational shift in West Michigan: Fewer younger production workers had graduated high school, compared to workers 30 and older. The finding suggested “employers may be selecting among a shrinking pool of qualified applicants.” They also found that fewer adults (31.8 percent) had completed a formal postsecondary degree (not including certificates) than adults nationwide (34.9 percent). More than 25 percent of the region’s young adults had failed to earn a degree after entering college, suggesting “significant barriers to post-secondary graduation.”

These trends took place amid increasing demand for an educated and skilled workforce. They were complicated by declining investment and participation in career technical education, and misalignment between the region’s education and training programs and the needs of employers. Though commonly referred to as the “skills gap,” this misalignment was compounded, in part, by the reliance on bachelor’s degrees as a job prerequisite, on the assumption this served as a proxy for soft skills. High unemployment during the recession contributed to a changing mindset, however, signaling to employers the need to reevaluate not only what they communicated as their desired skills and competencies to the labor market (through the education requirements on job postings), but also how they could invest in upskilling or internal training programs to develop these in-demand skills in candidates with lower levels of education than those previously sourced.

In this environment, Talent 2025 was created. It began with the recognition that West Michigan’s failures in the talent race meant everybody was suffering – businesses were missing opportunities, household incomes were stagnating, and the region was being overlooked as a destination for talent and locating or expanding a business. It was time to take action with a bold objective: Make the region a top 20 talent region by the year 2025. Now it is time to take a wide-eyed view of our progress and assess what still needs to be done to achieve that objective.

Strategies show progress.

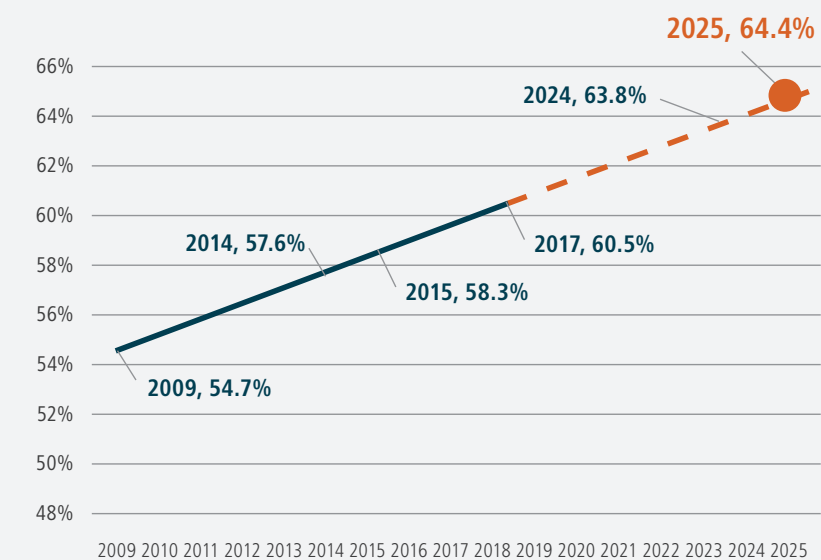
Working together, we have made great strides since 2010.

- West Michigan has advanced in five of six performance indicators Talent 2025 uses to benchmark our progress toward becoming a top 20 region for talent. The sixth measure, population change, has been holding steady and not declining – bucking the trend among most Midwest regions of similar size. These measures show that our collective efforts have produced positive results.
- Leading practices are being implemented by employers, educators, workforce development agencies, nonprofits, and funders across the region. More public investment is being directed toward evidence-based practices and strategies, and more emphasis has been placed on better defining the skills and abilities that should correlate with the attainment of a credential. We have seen replacement of outdated “catch-all” requirements on job advertisements, like a bachelor’s or associate’s degree, in favor of more specific, competency-based, industry-recognized certifications or credentials.
- Outside researchers have noticed, and West Michigan has earned a national reputation for its purposeful efforts to align and collaborate across sectors.

The data show these efforts are paying off. If current trajectories hold, West Michigan is on track to exceed our original metric for success – based on the W.E. Upjohn forecast – of 64 percent of adults over the age of 25 having at least some college (including non-degree certificate programs) by the year 2025.

However, new data suggests as much as 70 percent of adults will need a post-secondary credential and the region must still make dramatic gains for West Michigan to become a top 20 region in each of our six key performance indicators. For the region to reach its full potential – to move from good to great – we need to improve outcomes in areas we have identified as key indicators of a high-quality workforce and an effective, aligned talent system.

Percent of Adults in West Michigan with Education Beyond a High School Diploma or GED



Source: U.S. Census Bureau, American Community Survey, 2009-2013 through 2011-2015 5-Year Estimates.

Reaching Top 20 Status

Each of the key performance indicators below reveal the level we need to reach to be among the top 20 – starting with measuring ourselves against the Combined Statistical Areas (CSAs) nationwide that were ranked 20th in each category in 2017.

The Top 20 Dashboard

Category (KPI)	West Michigan Rank	The 20th-Ranked Regions West Michigan Needs to Exceed	Percentage Points Above/Below West Michigan
Median Household Income	50	Dallas-Fort Worth, TX-OK: \$62,796	▲ 12.6 (\$7,047) above
Individuals in Poverty	42	Fargo-Wahpeton, ND-MN: 11.4% of individuals earning incomes below the poverty threshold	▼ 1.9 below
Percent of Adults with Education Beyond High School	69	Steamboat Springs-Craig, CO: 67%	▲ 6.5 above
Management, Business, Science, and Arts Employment	101	Cedar Rapids-Iowa City, IA: 40.5%	▲ 7.3 above
Labor Force Participation Rate (16+)	46	Boston-Worcester-Providence, MA-RI-NH-CT: 67.8%	▲ 2.6 above
Population Change (5-year)	55	Atlanta-Athens-Clarke County-Sandy Springs, GA: 7.7%	▲ 3.4 above

Source: American Community Survey 2013-2017 5-year Estimates.

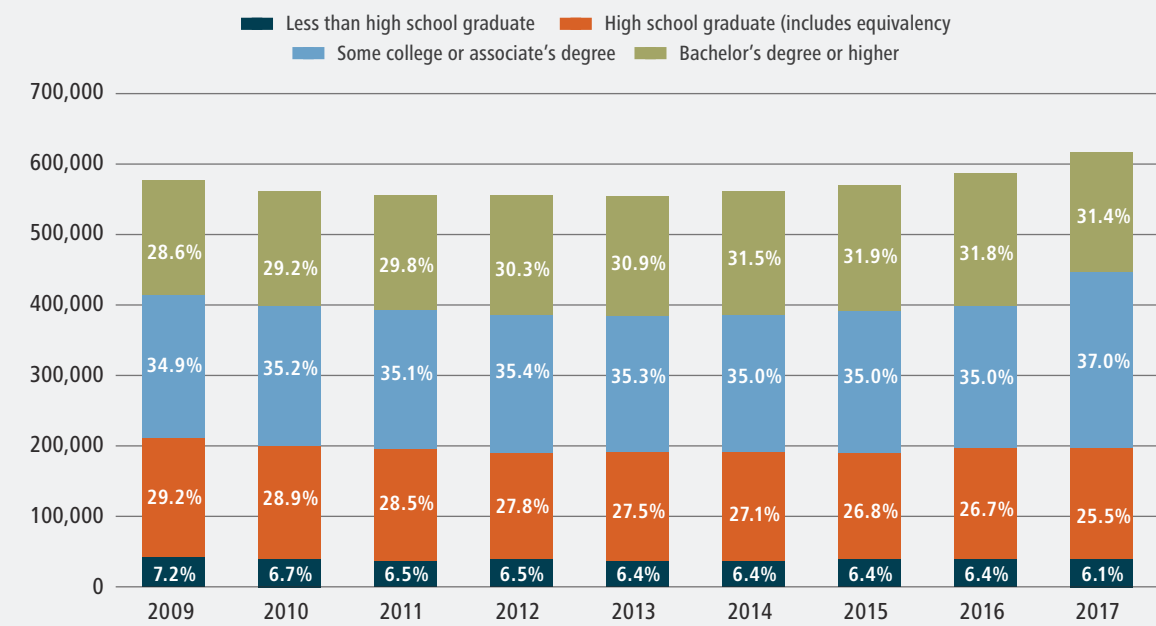


ASSESSING THE CURRENT STATE

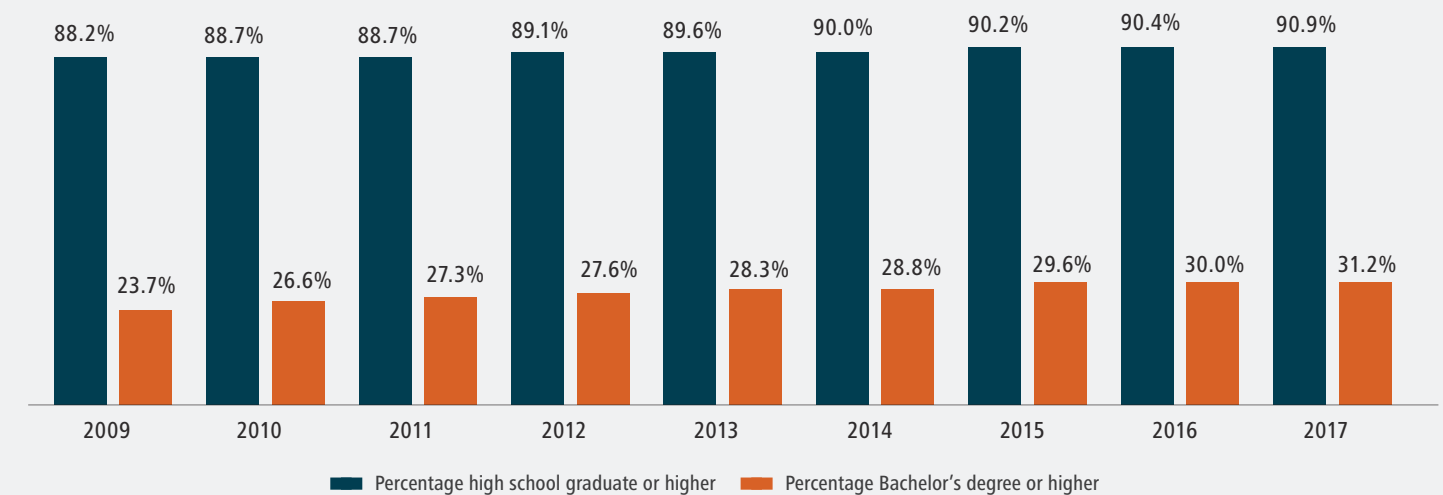
The purpose of this report is to create greater alignment among the workforce system’s many stakeholders and to introduce a vision and proposed strategies that will move us from good to great. We must begin, as in 2010, with an assessment of the current state of the West Michigan talent system.

The region’s population continues to increase. Job growth is outpacing the rest of the state. Educational attainment continues to improve. However, despite improvements to the labor force participation rate, many employers still struggle to find qualified candidates.

Employment Growth by Credentials (25-64), West Michigan

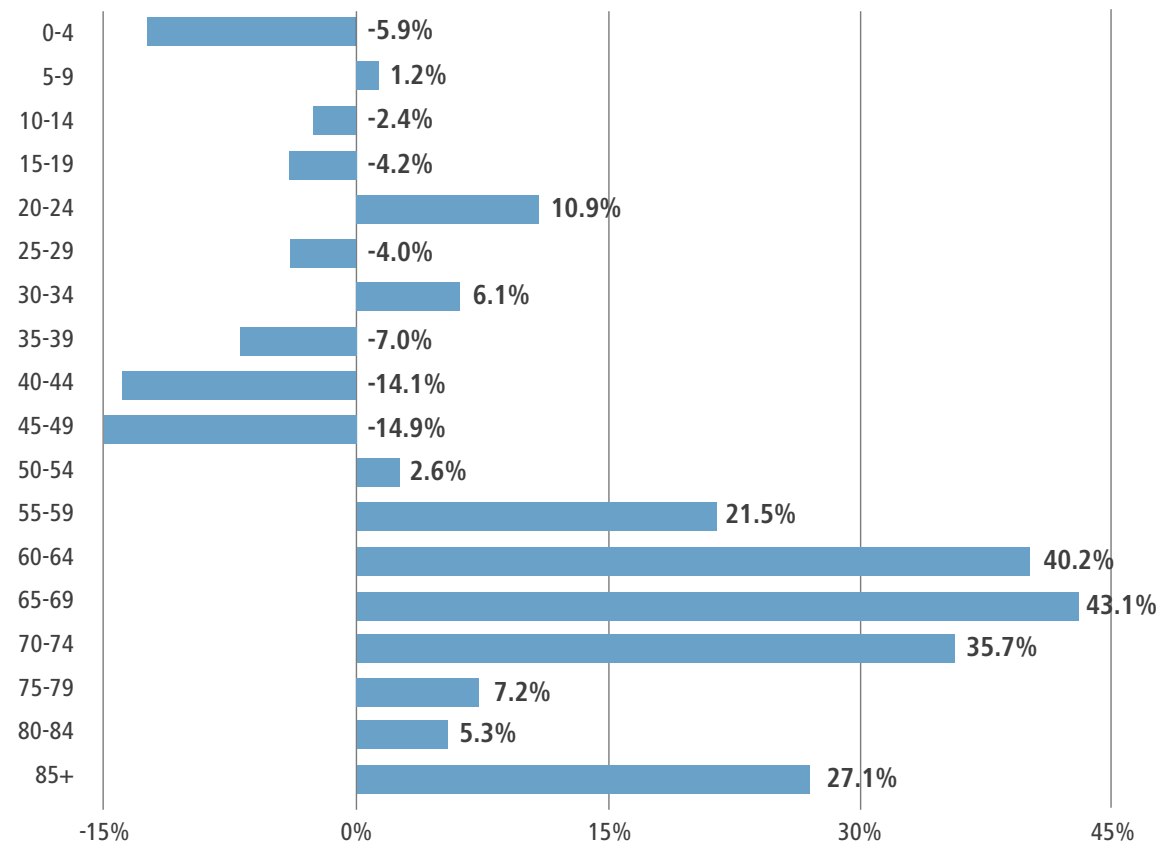


Growth in Young Educated Talent (25-34), West Michigan

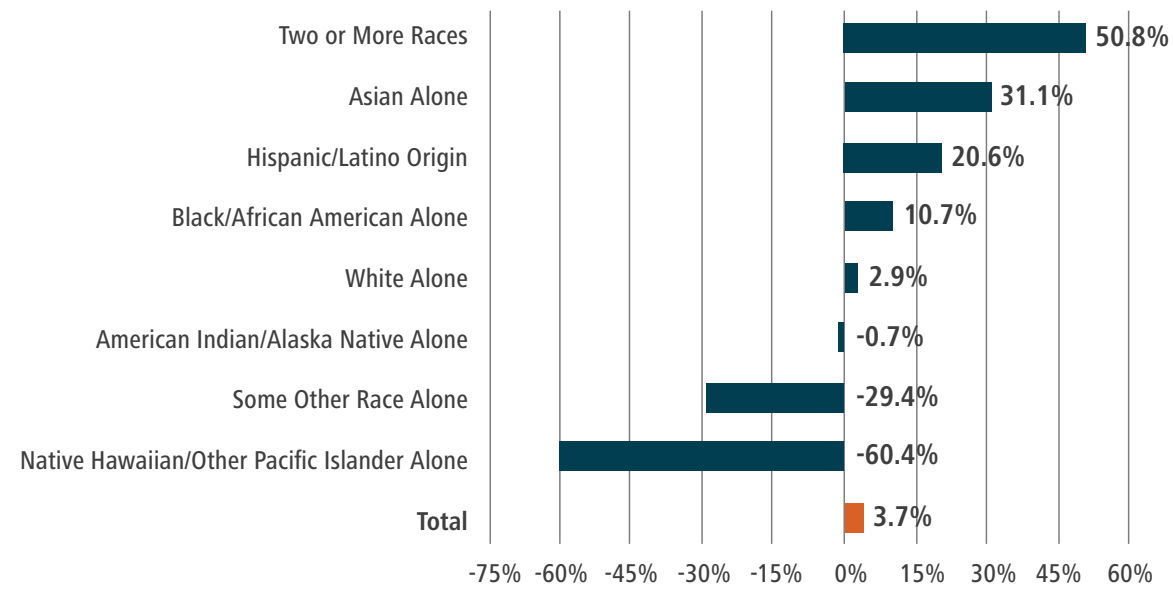


Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates (2013-2017)

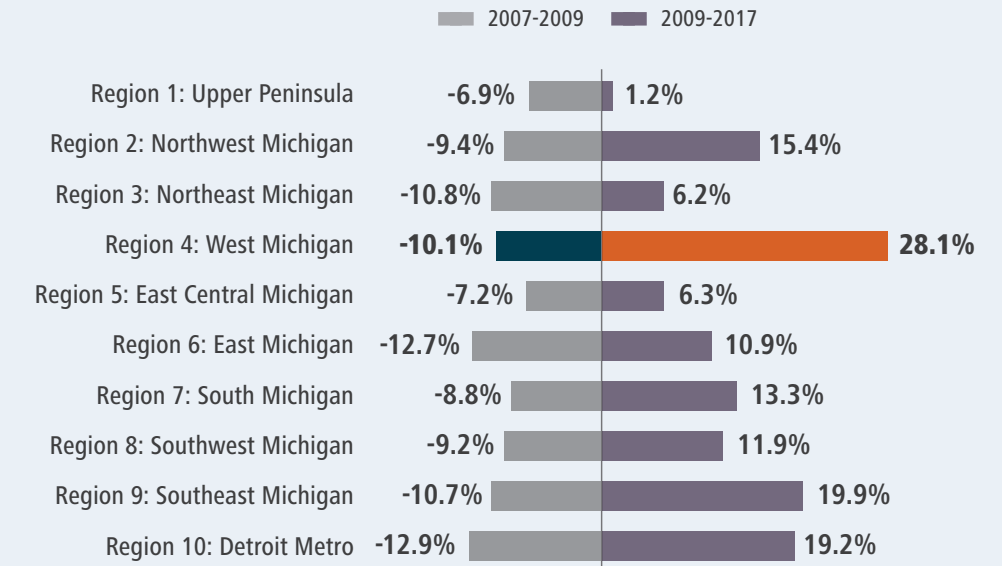
Postrecession Population Growth by Age Group, West Michigan (2009-17)



Postrecession Population Growth by Race/Ethnicity, West Michigan (2009-17)

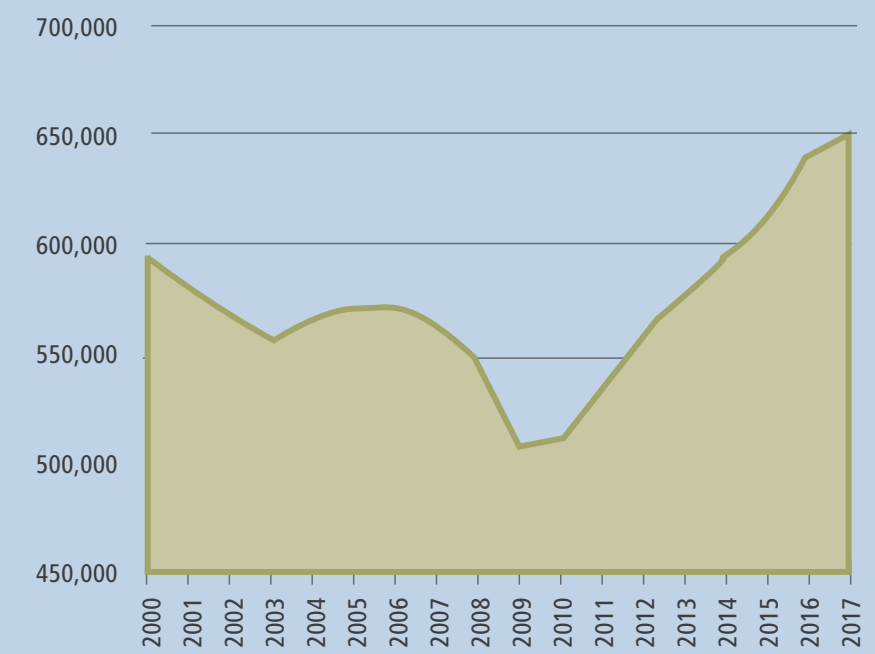


Private Sector Payroll Job Change During and Since the "Great Recession"



Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, "Quarterly Census of Employment and Wages"

Private Sector Payroll Jobs, West Michigan (2000-2017)



Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, "Quarterly Census of Employment and Wages"

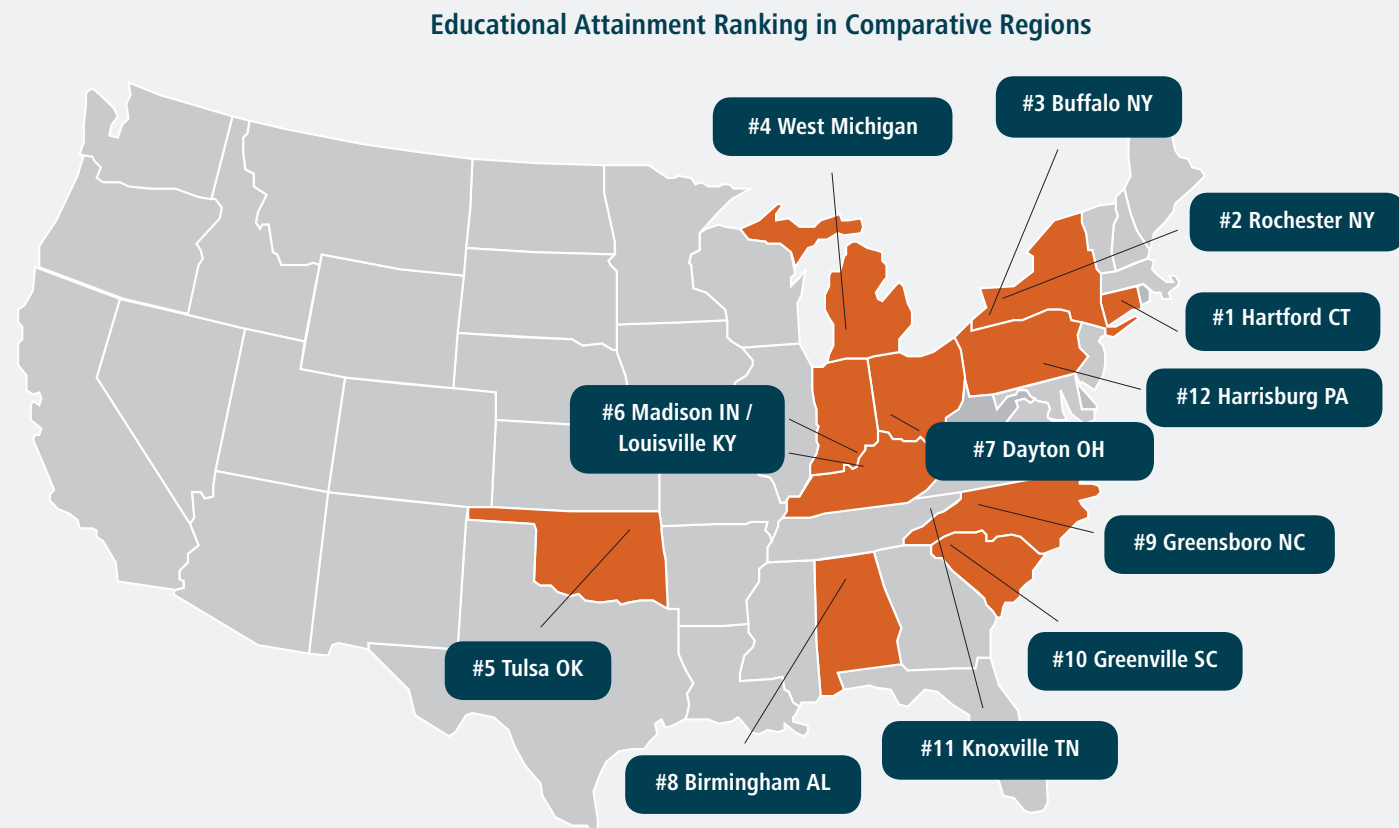
The payoff for improving.

To track progress, Talent 2025 selected six key performance indicators to measure itself against 11 peer communities.⁵ However, showing improvement compared to peer communities is not good enough, because West Michigan has always prided itself in being able to compete above its weight class, and we seek to be in the top 20 nationally.

A review of the data makes clear that work remains to reach the top 20 in all key indicators. And the stakes are significant: The next great economic boom will belong to those communities that figure out the best way to maximize talent quality and availability.

One example of the capacity for improvement can be found by comparing West Michigan to one of the peer communities, Hartford, Conn. An analysis by Talent 2025 in 2016⁶ estimated that **increasing the employment rate to that of Hartford's would increase wages in our region by 5.5 percent. The report also found that increasing the education level to match Hartford's would increase wages by an estimated 11.9 percent.**

Matching both Hartford benchmarks – education and employment – would raise wages by 17.3 percent, the equivalent of adding \$3.7 billion to West Michigan's economy. This new income would translate into an estimated \$170 million in new state tax revenue and \$84 million in additional local tax revenue.⁷



⁵ The 11 Combined Statistical Areas (CSAs) are: Birmingham-Hoover-Talladega, Ala.; Buffalo-Cheektowaga, N.Y.; Dayton-Springfield-Sidney, Ohio; Greensboro-Winston-Salem-High Point, N.C.; Greenville-Spartanburg-Anderson, S.C.; Harrisburg-York-Lebanon, Penn.; Hartford-West Hartford, Conn.; Knoxville-Morristown-Sevierville, Tenn.; Louisville/Jefferson County-Elizabethtown-Madison, Ky.-Ind.; Rochester-Batavia-Seneca Falls, N.Y.; Tulsa-Muskogee-Bartlesville, Okla.

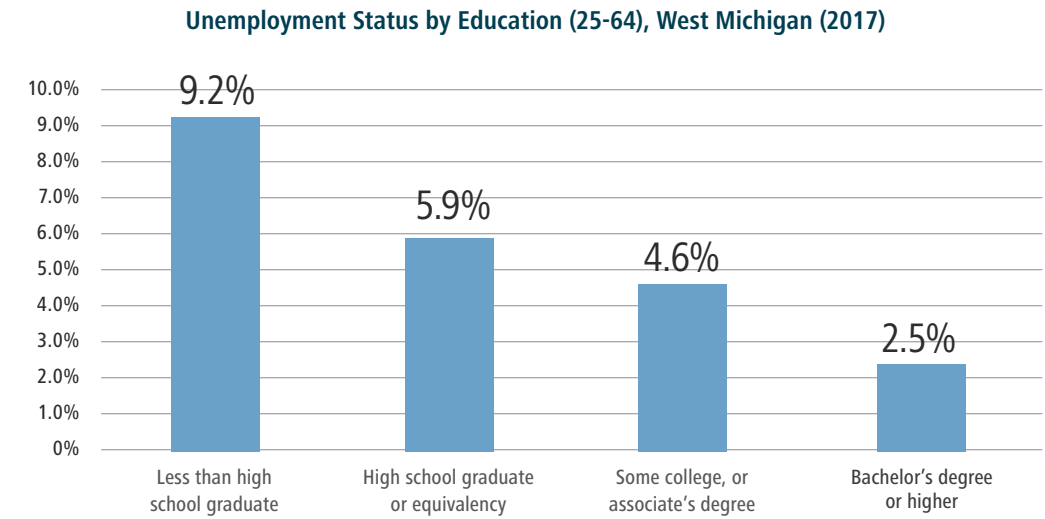
⁶ "Impact of Increasing Education and Employment Rates in West Michigan," Public Sector Consultants, August, 2016.

⁷ Ibid.

Source for comparison area data: U.S. Census Bureau, American Community Survey 1-year estimates (2017)

The benefits of education on a person's career and wealth potential are well documented. Employment rates, labor force participation rates and income rise in direct proportion to the level of education attained.

This is shown in national and regional data⁸ and holds true at every level of education: less than high school degree, high school degree or equivalent, some college or associate's degree, bachelor's degree or higher.



Source: U.S. Census Bureau, American Community Survey 2013-2017 5-year Estimates.

As shown in the table below, increasing education just one level has the potential to dramatically improve the quantity and quality of our talent. If everyone in West Michigan moved up one category in education while everything else remained unchanged, the labor force would grow by 48,026, or 7.7 percent.

Median incomes would also rise if everyone moved up one education level, generating more than \$107 million in new wealth – an average annual increase of \$2,228 per newly employed individual.

Education Attainment and Labor Force Participation Rate (LFPR), West Michigan

Education level (25-64)	Population (25-64)	Labor Force (25-64)	LFPR	Potential change (# in labor force) by moving up one level of education
< High School Degree	71,491	42,026	58.8%	51,330 in labor force at 71.8% rate = 9,305 more in labor force
High School or GED	234,369	168,173	71.8%	186,558 in labor force at 79.6% rate = 18,385 more in labor force
Some College or Associate's Degree	270,933	215,647	79.6%	235,983 in labor force at 87.1% rate = 20,336 more in labor force
Bachelor's Degree or Higher	229,350	199,721	87.1%	N/A
Total potentially added to labor force: 48,026, increase of 7.7%				

Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates (2013-2017).

⁸ "Education matters," data analysis by Bureau of Labor Statistics, March 2016.

Uneven Playing Field

The story of unequal economic recovery in West Michigan was brought into sharp focus in 2015, when demographer Joel Kotkin posted an article in *Forbes* that ranked the country’s 52 largest cities in terms of economic opportunity for African Americans.

Grand Rapids was ranked second from the bottom.

A report prepared that year by the Talent 2025 Diversity and Inclusion Working Group, *2015 Inclusion Interviews Report*, included anonymous surveys of West Michigan employees. One respondent, a 41-year-old African American woman, made this comment:

“I am attracted to the potential of what Grand Rapids can be. Yet, I am immersed in the reality that there are at least two different [kinds of] Grand Rapids. People of color do not benefit the same way – do not have the same network, do not have the same opportunities.”



In 2015, demographer Joel Kotkin posted an article in *Forbes* that ranked the country’s 52 largest cities in terms of economic opportunity for African Americans. **Grand Rapids was ranked second from the bottom.**

Too many left behind.

We know from Talent 2025 research and benchmarks that people in our community are being left behind in the midst of a resurgent economy. We have an opportunity to improve the region’s quality of life by helping those who are working but still struggling to make ends meet from month-to-month.

Too many parents who want to work stay out of the workforce or delay pursuing education or training opportunities because they can’t afford child care. Working families live on the brink of disaster, where a flat tire can result in the loss of a day’s wages or even a job. As a result, too many children grow up in poverty, which research tells us has a significant and negative effect on academic outcomes and economic mobility.

Since the Great Recession, too many have not shared in the recovery and economic boom. African-American and Latino families in our region have a per-capita income that is roughly half of what white residents earn.⁹ There are similarly unacceptable gaps in post-secondary education, unemployment, and labor force participation for these members of our community.

Barely Getting By

Nearly 40 percent of West Michigan households with at least one working adult struggle to afford the basic necessities of housing, child care, food, healthcare, or transportation, according to the Michigan Association of United Ways (MAUW).¹⁰ MAUW refers to this cohort as ALICE (Asset Limited, Income Constrained, Employed). Talent 2025 set a goal to raise the percentage of households above this threshold from 60 percent to 66 percent, which would move 28,516 families to a stable financial footing and put West Michigan on par with its top peer region.

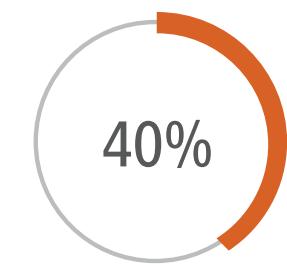
Even a family with two breadwinners would struggle to meet the ALICE threshold if neither of the earners had a high school diploma. And just a diploma does not help much: Data shows that meeting the ALICE threshold could prove difficult for those without education beyond high school. The same is true for households headed by a single earner.

⁹U.S. Census Bureau, American Community Survey, 5-Year Estimates (2013-2017)
¹⁰Study of Financial Hardship, 2017 update, United Ways of Michigan

The ALICE calculations by the Michigan Association of United Ways indicate the bare minimum income that a household needs to live and work – to survive but not to save for emergencies or future goals. Taking Muskegon County for example, a family of four in 2017 would have needed income equivalent to full-time at \$29.48 per hour just to get by. That annual income, \$58,968, is nearly \$10,000 more than the median income for the county – a significant reason **31 percent of the county’s households do not meet the ALICE threshold.**

Household Survival Budget - Muskegon County

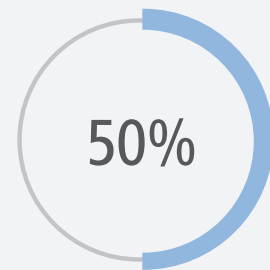
	Single Adult	2 Adults, 1 Infant, 1 Preschooler
Monthly Costs		
Housing	\$ 503	\$ 723
Child Care	\$ 0	\$ 1,024
Food	\$ 199	\$ 604
Transportation	\$ 340	\$ 679
Health Care	\$ 236	\$ 888
Technology	\$ 55	\$ 75
Miscellaneous	\$ 158	\$ 447
Taxes	\$ 242	\$ 474
Monthly Total	\$ 1,733	\$ 4,914
Annual Total	\$ 20,796	\$ 58,968
Hourly Wage Needed	\$ 10.40	\$ 29.48



40% of West Michigan households with at least one working adult struggle to afford the basic necessities of housing, child care, food, healthcare, or transportation.

Unequal Unemployment

West Michigan’s very low unemployment rate (3.5 percent average for January-July 2019,¹¹) can be deceptive. Individuals in West Michigan¹² with less than a high school diploma face an unemployment rate of 9.2 percent. This compares to just 2.5 percent for those with a bachelor’s degree or higher. The numbers are worse when considering that unemployment statistics only reflect those employed or actively seeking work. The workforce participation rate, on the other hand, measures the percentage of adults who are part of the labor force. Using this measure, the participation rate for adults of prime working age, 25-54, in West Michigan currently stands at 82.4 percent, much lower than historical rates¹³ and below top-performing regions nationally.



Half the income: African American and Latino families in our region earn significantly less per capita than white residents earn.¹⁴

STRUGGLING TO SURVIVE

“Margaret” is a tired single mother with three children, ages 9, 7, 6. She is the only provider for her children and lives in a house owned by her 74-year-old grandmother.

She works 12.5 hours a week and relies on a variety of public support to make ends meet. As part of the requirements to receive state assistance, she drives an hour each way to attend training four days a week through the Partnership, Accountability, Training, Hope (PATH) program. She wants to earn certification to work in a medical office.

Her five-year goal is to make \$15 per hour and be able to invest in a retirement plan. (While this would

be an improvement on her current situation, it would leave her well below the ALICE threshold for her county, where it is estimated an hourly wage of \$26.77 is needed to support a family of four.)

Her 10-year goals include working full-time, first shift, and with weekends off to be with her children.

Margaret said she is working hard to move her family out of poverty. Sharing a picture of her children, she said they are the reason she gets up and goes to work and school every day.

“I want to show my kids that no matter what life throws at you, you can accomplish anything,” she said.

¹¹ U.S. Bureau of Labor Statistics

¹² Based on the U.S. Census Bureau’s Grand Rapids-Wyoming-Muskegon Combined Statistical Area

¹³ “Strategies to Increase Education and Skills Development Among Working-Age Adults,” Talent 2025

¹⁴ U.S. Census Bureau, American Community Survey, 5-Year Estimates (2013-2017)

Unacceptable gaps.

These gaps hit some segments of our population particularly hard. African-American residents lag white residents by 14 percentage points in post-secondary education, with an unemployment rate 9.7 percentage points worse, resulting in a per-capita income gap of \$13,941. Latino residents trail white residents by 6.5 percentage points in post-secondary education, resulting in a per-capita income gap of \$15,239 and an unemployment rate 2.9 percentage points worse.¹⁵

Just as we could see more employment and income by increasing education rates, we would see similar advantages to removing racial and ethnic disparities in unemployment.

Race/Ethnicity and Unemployment Rates, West Michigan

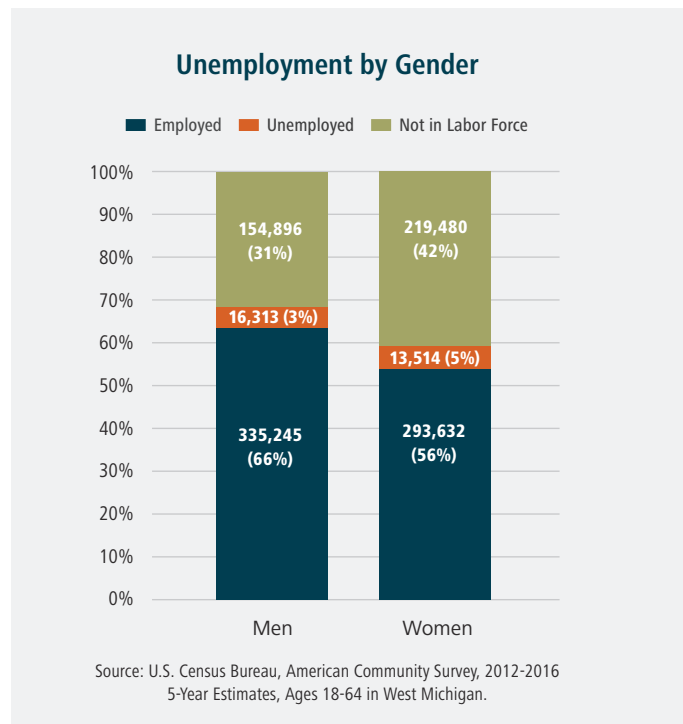
Race/ethnicity	Labor Force (25+)	Unemployment Rate, 2013-17	Number Unemployed	Potential change if employed at regional unemployment rate (4.0%)
White Alone	697,452	5.2%	35,937	7,898 unemployed at 4.0% rate = 8,039 more employed
Black/African American Alone	43,830	14.9%	6,530	1,753 unemployed at 4.0% rate = 4,776 more employed
American Indian/ Alaska Native Alone	3,224	9.6%	309	129 unemployed at 4.0% rate = 180 more employed
Asian alone	16,275	4.1%	661	651 unemployed at 4.0% rate = 10 more employed
Other Race Alone	16,429	8.0%	1,319	657 unemployed at 4.0% rate = 662 more employed
Two or More Races	16,266	10.3%	1,669	651 unemployed at 4.0% rate = 1,018 more employed
Latino Origin (any race)	57,206	8.1%	4,642	2,288 unemployed at 4.0% rate = 2,354 more employed
Total potentially added to employed ranks: 17,040				

¹⁵ U.S. Census Bureau, American Community Survey, 5-Year Estimates (2013-2017)

If all racial and ethnic groups in West Michigan faced the same unemployment rate at the regional average of 4.0%, we project that **17,040 vacancies could be filled** and our median income would see dramatic growth, **adding more than \$741 million to our region’s combined annual income.**

These disparities are not only devastating to families, they hold back our region’s prosperity. A 2018 analysis published by the W.K. Kellogg Foundation found racial inequities cost Michigan billions of dollars every year in untapped economic potential. “The Business Case for Racial Equity for Michigan: A Strategy for Growth”¹⁶ calculates ending discriminatory policies and practices in Michigan would annually yield an additional \$4 billion of spending on housing, \$2 billion on automobiles and transportation, \$1.5 billion on food, \$625 million on entertainment, and \$423 million on apparel.

Other demographic groups also face barriers to full employment, including those with a criminal history, veterans and people with disabilities. More disparities emerge in the data. For example, even though women in West Michigan have surpassed men in post-secondary education by nearly 4 percentage points, they lag in labor force participation by nearly 11 percentage points. Additionally, the per-capita income gap between men and women currently stands at \$13,551.

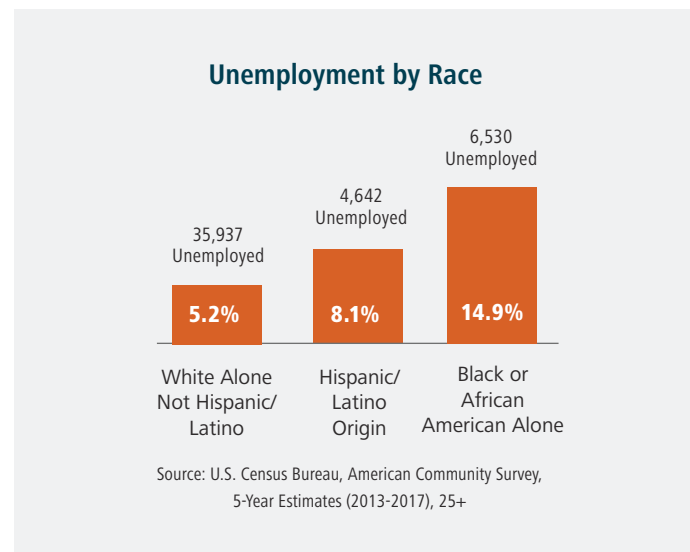
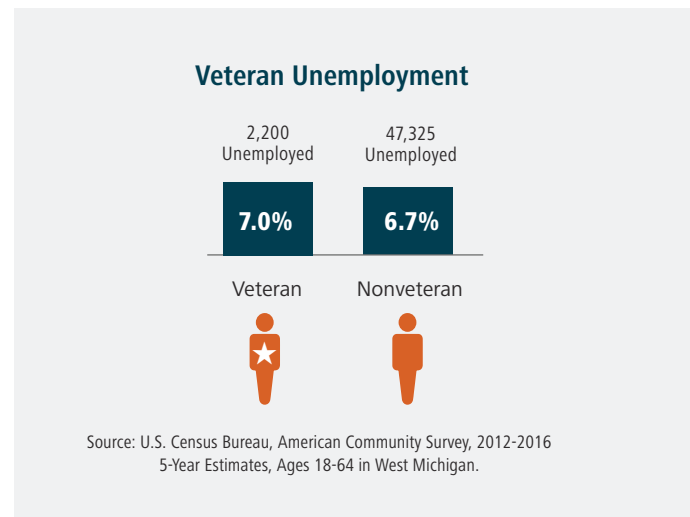


The effects of those barriers are not limited to adults. Talent 2025’s *Insights for Action*¹⁷ report revealed that a child’s ecosystem – defined as the larger socio-economic environment in which students reside – poses a potential barrier to academic success and a high school diploma.

This ecosystem also influences what students can see themselves becoming. For many, the lack of employment opportunities for adults in their lives, or the type of jobs these adults hold, can paint an incomplete picture of who they can become as adults.

Removing barriers for adults will bring real, quantifiable benefits to the next generation, as well as our entire region.

¹⁶ “The Business Case for Racial Equity – Michigan,” W.K. Kellogg Foundation, August 29, 2018
¹⁷ “Insights for Action,” Talent 2025, September 2015



IDENTIFYING AND ADDRESSING BARRIERS

Community success starts with people being fully employed.

We have an opportunity to address the correlation between education and economic mobility, move families out of crisis, reduce workplace absenteeism and high employee turnover, and increase the size and quality of the region’s workforce. We can take steps to mitigate inequity and raise standards of living for all. We can also avoid the exodus of skilled talent from the region during the next economic downturn by creating strategies that help employers retain their talent. The process begins by recognizing the factors that contribute to quality of life.

Scientists at the global analytics firm Gallup identified five categories as essential to a person’s wellbeing:

- 1 **Career**
How you occupy your time or simply liking what you do every day
- 2 **Social**
Having strong relationships and love in your life
- 3 **Financial**
Effectively managing your economic life
- 4 **Physical**
Having good health and enough energy to get things done on a daily basis
- 5 **Community**
The sense of engagement you have with the area where you live

“A really great strength of the West Michigan talent system, is we’ve really benefited from people who have been immensely successful in building their business or industries and those people have remained in the area and they’ve invested their resources in our communities and our institutions to help make them better. I think that’s a tremendous strength.”











– TALENT 2025 WORKFORCE SYSTEM INTERVIEW PARTICIPANT



AT A GLANCE

The barriers.

Talent 2025’s Workforce Development Working Group drew similar conclusions to the Gallup report (page 35) with its 2016 analysis of employment barriers. Using human-centered design practices, the working group interviewed a diverse group of participants to understand and empathize with their aspirations, motivations, and challenges. These interviews, paired with data and insights from front-line service providers, identified 11 barriers faced by adults struggling to join, remain or advance in the workforce.

BARRIER 1  Education & Training	BARRIER 2  Child Care	BARRIER 3  Transportation
BARRIER 4  Substance Use	BARRIER 5  Demands on Time	BARRIER 6  Finding Balance
BARRIER 7  Leveraging Experience	BARRIER 8  Finding the Right Fit	BARRIER 9  Finding Identity
BARRIER 10  Criminal History	BARRIER 11  Navigating Systems	

BARRIER 1



Education & Training

The issue.

- In a knowledge-based economy, a high school diploma alone is insufficient to earn a living wage, as indicated in the ALICE threshold section on page 31. Yet, too many in our region fail to meet even that minimum standard: 9.9 percent of adults have less than a high school diploma and 3.5 percent have less than a 9th grade education. What’s more, the current high school graduation rate in the region remains at 81.4 percent¹⁸ – well short of the Talent 2025 goal of 95 percent. We also have to acknowledge the estimated 15 percent of adults who are functionally illiterate – many with diplomas or even education beyond high school.
- Meanwhile, the high school students of the future – today’s middle schoolers – often lack access to career exploration opportunities that would help them recognize the importance of post-secondary education or career technical training to pursue their ambitions. For many young people, a career technical education can be the first step on a path of lifelong learning as their career goals and the needs of employers evolve.
- West Michigan also has room for improvement in the percentage of adults with some education beyond high school, 60.5 percent¹⁹. This ranks fourth among the 11 peer communities but is nearly 3 percentage points behind the leading peer community, Hartford, at 63.1 percent, and 6.5 percentage points behind what it would take to be a top 20 region nationally.
- This shortage of post-secondary education and credentialing among working-age adults contributes to the difficulty West Michigan employers face in hiring a skilled labor force.

The opportunity.

- Improve the effectiveness of and investment in adult education and skills training that is aligned to in-demand jobs, careers, and training. Increase the education and skills of West Michigan working age adults aged 25-54 and strengthen career pathways.
- Strengthen the investment by employers in talent attraction, retention, and advancement by clearly communicating career paths and providing tuition reimbursement, on-site training, and partnerships to support education and skill advancement.

A DIGITAL DIVIDE

Students and adult learners in many areas face a barrier that may be unexpected in 2019: Lack of access to high-speed, broadband internet service.

A geographic digital divide in West Michigan, as mapped by Connect Michigan, is aggravated by statistics showing many homes – even in areas with broadband service – lack a desktop or laptop computer.

African American families are more likely to face this gap, according to advocacy group Connected Nation. Many students in these families must access the internet via their smartphones.

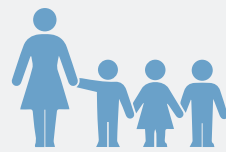
According to Director of Digital Inclusion for Connected Nation, Heather Gate: “While the increase in internet use via smartphone is a welcome development, we cannot ignore that challenge of accessing some internet resources and tools that are better served on a larger and traditional computer with a monitor and a keyboard – imagine writing a school paper or trying to write a résumé on a smartphone.”²⁰

¹⁸ MISchoolData.org

¹⁹ U.S. Census Bureau, American Community Survey, 5-year estimates (2013-2017)

²⁰ “Why Being Left Out Is Not an Option in the Digital Age,” Connected Nation, Feb. 7, 2019

BARRIER 2



Child Care

The issue.

- A lack of affordable, quality child care keeps many parents who would like to work out of the workforce. Of nonworking parents in low-income households, 70 percent cite “taking care of home/family” as the reason they are not working. Children, particularly those from low-income families, need high-quality care to enter school with a solid foundation for success.
- Labor force participation rates for women in West Michigan are significantly lower than rates for men, indicating that women are more likely to suffer economically from a lack of affordable and easily accessible quality child care. This is compounded by the reduction in the number of child care providers in Michigan, which dropped 30 percent from 2016 to 2017 and continues at a rate of 100 providers lost per month statewide.

The opportunity.

- Expand access to high-quality child care for working families by increasing the eligibility threshold of working parents to 250 percent of the Federal Poverty Level, raising the reimbursement rate for child care providers and streamlining the regulatory framework.
- Encourage local public/private partnerships to help more child care providers stay in business or expand.

THE PERSONA PROJECT

The Persona Project by Talent 2025’s Workforce Development Working Group in 2016 found multiple examples of people struggling to balance child care and career advancement.

- Rosa provides care for her great niece while her niece goes to work. Her niece works varying shifts so Rosa tries to keep her schedule open to provide care when needed so that her niece does not lose her job.
- Amy’s grandmother watches her children while she works and attends school. Without this help, she

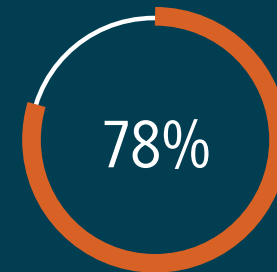
would not be able to afford to attend school or work part time.

- Lina seeks to support her kids’ education at home. She has consciously decided to prioritize caring for and teaching her children rather than accelerating her path to a career in nursing: “I’m not sure if I will be able to accomplish everything in my timeline to becoming a nurse.”

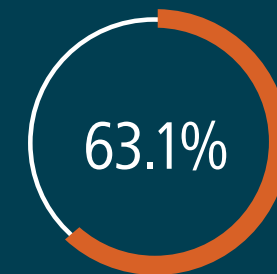
The number of child care providers in Michigan **dropped 30%** between 2016-17 and this decline **continues at a rate of 100 providers lost per month statewide.**

West Michigan Child Care Deserts

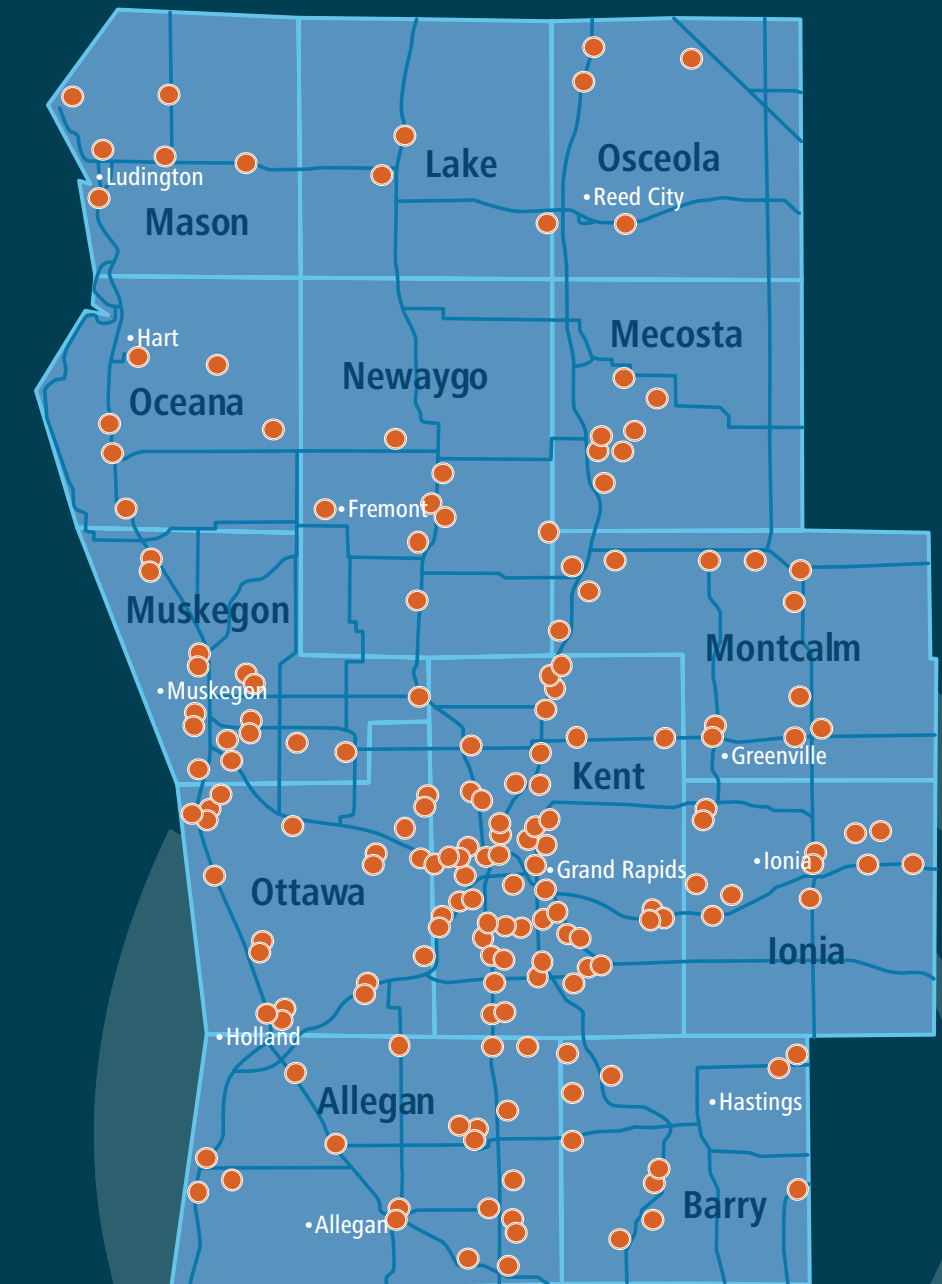
A child care desert is an area where care is not accessible or feasible for working parents. The dots on the map show ZIP codes with licensed providers in West Michigan. Areas with gaps may contain more than three times as many children as licensed child care slots. What’s more, living near a provider does not guarantee access: A recent survey coordinated by Talent 2025 found 78 percent of existing providers have zero slots available for infant and toddler care. This under-provision of child care services can affect the employment potential of residents with children.



78% of surveyed providers reported having zero slots available for infant and toddler care



63.1% of children, ages 0-5, with all parents in the workforce (13-county average)



● Licensed center and home-based providers who care for infants and toddlers, 0-18 months

BARRIER 3



Transportation

The issue.

- Lack of access to reliable, affordable transportation keeps many potential employees out of the workforce and contributes to job tardiness, absenteeism, lost productivity, and turnover.
- Turnover is calculated to cost employers approximately \$3,500 for each entry-level position. However, options such as Hope Network's *Wheels to Work* program provide cost-effective solutions. One employer calculates that, for the cost of one employee's total compensation, they were able to retain 25 employees by providing transportation assistance – and they use *Wheels to Work* as a tool for recruitment and retention.

The opportunity.

- Address short-term transportation needs of job seekers and employers by replicating programs like Hope Network's *Wheels to Work*.

BARRIER 4



Substance Use

The issue.

- Substance use policies contribute to high turnover and a decline in the region's labor force. This is particularly harmful at a time when 14,500 working-age adults have left the labor force over the past five years, and 18,000 jobs are vacant in West Michigan. Many HR leaders report they only now are reviewing their substance use policies, which were often adopted from another employer.

The opportunity.

- Employers should develop smart drug and alcohol use policies that are intentional and properly constructed.
- Priorities should be on providing a safe work environment, increasing the number of applicants, restricting terminations to those employees creating risk, and providing constructive alternative options for employees experiencing substance abuse, such as external health referrals.

BARRIER 5



Demands on Time

The issue.

- Many job seekers must continually assess if they should attempt to reach a milestone, such as obtaining training or a credential, based on their perceived time constraints. They often grow frustrated when they cannot control or see progress.

The opportunity.

- Help job seekers meet immediate needs while continuing toward long-term goals.
- Streamline services to make them more user friendly.
- Develop clear career pathways to obtaining gainful employment.

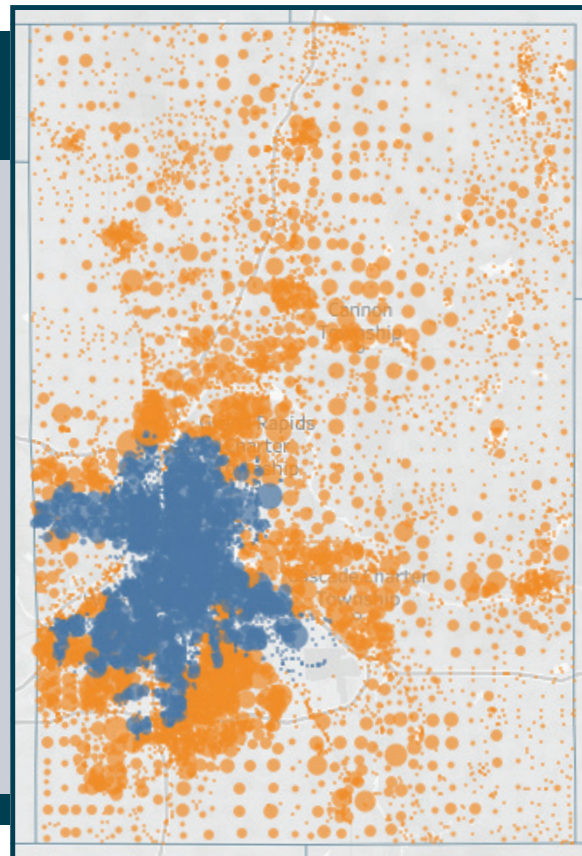
Kent County Transportation Access to Major Destination Types

We model transport access to the nearest employment cluster, major medical center, produce retailer, and workforce developer.

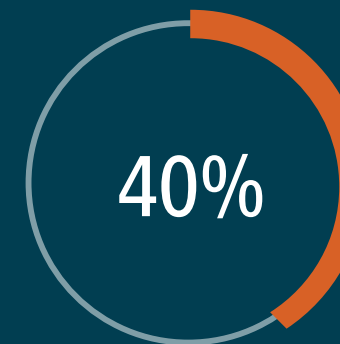
- No access in 45 minutes via public transit
- Access in 45 minutes via public transit

44.9%

The estimated population with access is **44.9%**



Source: Kent County Essential Needs Task Force



40% of employees are subjected to drug testing policies

“It’s still very difficult for employers to find the people to work; there are people who are looking for work who are not getting connected to employers. We can’t even find people to come to a job fair to interview.”

– TALENT 2025 WORKFORCE SYSTEM INTERVIEW PARTICIPANT

BARRIER 6



Finding Balance

The issue.

- Job seekers and employees value opportunities that support their well-being beyond financial considerations. (See the Gallup essential elements of wellbeing referenced on page 35.) When their work allows them to balance aspects of social, emotional, and physical health, they are more likely to remain engaged. When this balance is skewed, employees are likely to feel discouraged and risk losing or leaving their job or quitting.

The opportunity.

- Assess and prioritize the social, emotional, and physical values of job seekers and employees to ensure an effective match with employment.
- Employee turnover can be reduced and productivity can increase when employers join an Employer Resource Network (ERN) or Business Resource Network (BRN).

BARRIER 7



Leveraging Experience

The issue.

- Many job seekers lack the independent ability or confidence to leverage personal experiences or skills that may make them uniquely capable and qualified. Highlighting these assets (even when they are not directly related to professional experiences) may open additional opportunities better suited to the individual's needs and goals. By helping job-seekers take an asset-based approach, they can make informed decisions about career choices and effectively represent their skills to potential employers.

The opportunity.

- Utilize an asset-based approach to help job seekers reach their long-term goals.
- Incorporate soft skills training so job seekers can better articulate these and other transferable skills to employers.

BARRIER 8



Finding the Right Fit

The issue.

- Job seekers may decline an opportunity that does not seem to fit their personal plans or skill level because they do not believe the immediate benefit is worth it, or they cannot envision how it will move them toward their goals.

The opportunity.

- Structure programs to help job-seekers establish tangible goals with short-term opportunities that leverage their experience, education, and skills and set them up for long-term success.
- Encourage employers to share and promote the career pathways available within their companies and utilize educational institutions to increase access to upskilling opportunities based on individual employee needs.

“When people are financially stable, good things happen – good jobs, access to jobs, etc. When they are not stable, bad things happen. The fastest way to financial stability is a good-paying job. Anything we can do to make sure there are good jobs to be had, and people can access them, that’s two-thirds of financial stability. And financial stability is one-third of thriving.”

– TALENT 2025 WORKFORCE SYSTEM INTERVIEW PARTICIPANT

BARRIER 9



Finding Identity

The issue.

- People continually feel their identity is mischaracterized and desire to be understood by their whole story – past, present and future. They look for opportunities to solidify and share their identity because they feel others define and judge them by a single role, mistake, or need.

The opportunity.

- Provide purposeful employment opportunities that are mutually beneficial.
- Invest in staff development and upskilling opportunities to assist employees in meeting their professional goals.

FINDING THE 'GRIT' TO PERSEVERE

Interviews conducted during the Talent 2025 Persona Project reinforced understanding of the constant state of crisis facing many job seekers and even employed people who fall below the ALICE threshold.

People in these situations may not be able to see opportunity beyond putting food on the table or keeping the lights on. Even after employment, they may need support to persevere, and to seek additional training and advancement.

One of the interviewers summarized it this way: "We keep encouraging people to keep going and keep trying, but until you hear these stories we can't really empathize with them because we don't know all that they are going through or that they are continuously trying and still not reaching their goals."

“While virtually everyone wants to earn a living, there are a number of obstacles that prevent people from landing and maintaining gainful employment. It's clear that all of us win when our community is at full employment. With that lofty goal in mind, it's important that we communicate that this investment in talent benefits the entire community.” – WEST MICHIGAN BUSINESS LEADER

BARRIER 10



Criminal History

The issue.

- One of the greatest barriers facing returning citizens (job seekers with criminal records) as they look for work is not a lack of ability or motivation, but rather the formal and informal obstacles that limit their participation. For the 1 in 3 Americans with a criminal record, they constantly worry about finding a place in an employment system that wants to weed them out. When they can find “parole friendly” companies, they feel they must work harder than the average person to make a good impression.
- Employment for returning citizens reduces recidivism, leading to safer communities and lower taxpayer costs toward incarceration.

The opportunity.

- Employers can follow the lead of the state of Michigan, which enacted Ban the Box policies on state employment and occupational licensing applications.
- Employers can be more inclusive of applicants with criminal histories by making individual assessments rather than holding blanket policies that exclude anyone with a criminal background.
- Employers can acquire information and support by joining organizations like 30/2/2 and partnering with organizations such as Hope Network, Goodwill and 70x7 to learn more about hiring returning citizens.

BARRIER 11



Navigating Systems

The issue.

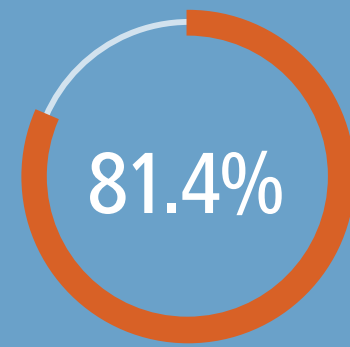
- Many job seekers are discouraged by confusing systems that complicate access to resources offered by non-profit organizations, government agencies, and employers. This complexity may eclipse their personal motivations and prevent them from persevering toward their goals. Demands on time compound this.
- Benefit recipients also worry that working will disproportionately impact their food, child care, and/or welfare benefits in what is known as the “cliff effect.”

The opportunity.

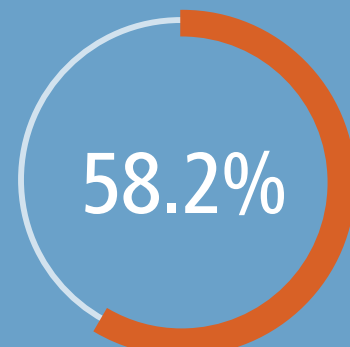
- Develop a shared language with clear and consistent explanations for how to navigate systems.
- Use human centered design principles to meet the needs of individual clients and reduce the time and effort required by them to seek assistance.
- Encourage employers to join ERNs and BRNs to maximize the economic mobility provided by safety net programs until the employees can achieve true self-sufficiency.

Becoming a top 20 region starts with K-12 education.

The long-term success of West Michigan's workforce depends on a K-12 system that ensures all children graduate high school ready for college or a job with potential pathways to careers that align with their interests and skills. Unfortunately, only 81.4 percent of West Michigan 9th-grade students graduate from high school. Many who do are not college or career ready. Of the students who graduate, even fewer (58.2 percent) pursue a post-secondary credential. Among those who do, many lack the skills or resources to make an informed choice about what education or training to pursue. They struggle to complete their programs, or are often burdened with debt and a degree or training with few prospects for employment.



Only **81.4%** of 9th grade students graduate from high school in West Michigan



58.2% of students who graduate pursue a post-secondary credential

Sources: MiSchoolData.org, National Center for Education Statistics

The Promise of Career Technical Education

Career Technical Education students are more likely to experience work-based learning, on the job experiences, internships and apprenticeships. Soft skills are also infused within the curriculum, giving CTE students the upper hand when applying for jobs right out of high school (or even during high school).

CTE programs have articulated agreements with post-secondary institutions so that students earn credit as they complete the program. Many times, CTE students have earned more college credits than non-CTE students at local school districts only taking AP courses.

According to state of Michigan data, **students who complete CTE programs are 3.1 percent more likely to graduate high school than students who did not enroll in CTE.** The median wages are \$5,500 dollars more for CTE completers who go on to finish a certificate or associate degree, compared to students who do not complete CTE and go on to get certificates or two-year degrees.

In West Michigan, a follow-up study of 2017 CTE graduates found that 60.8 percent were going on to continue their education, a rate 3.8 percentage points higher than the overall number of students enrolling in post-secondary education within 6 months of graduation. Roughly half were employed full time, with 71.3 percent of those employed in a field related to their training. Another 47.5 percent were employed part time, and 91.6 percent of students were satisfied with their job placement.

CTE teachers must have 2 years of industry experience in the field they are teaching prior to entering the teaching profession. This allows teachers to speak from their experience and give real world examples of the topics they are teaching.

Getting a Better Start

Leaders in K-12 education across the region have begun to implement career readiness efforts starting as early as elementary school. Programs like FuturePrep'd, in Ottawa County, offer a link between classroom teaching and workplace relevance through content, curriculum and experiences beginning in the sixth grade. Northview Public School's MiGPS is developing employability skills among students from middle to high school and providing them with more robust career guidance.

Conversations starting at the middle school level allow administrators, counselors and teachers the opportunity to build on existing knowledge and continue engagement of students in their career readiness journey. Programs such as MiCareerQuest, a large-scale event that showcases career pathways for middle and high school students in West Michigan, is just one example, providing a wealth of exposure to careers available in West Michigan.

Reinforcement at the Classroom Level

The Muskegon Intermediate School District's teacher externship program offers multi-day experiences for teachers to immerse themselves in the world of work by conducting industry tours and talking with local employers. This helps them make the curriculum they teach more relevant. And West Michigan teachers and administrators have formed the West Michigan Career Readiness Conference aimed at making sure "every student is college or career ready upon graduation." Its work focuses on career navigation and exploration, talent portfolios, competency-based learning, and employability skills. Talent 2025 believes this is critical to improving its college and career readiness goal.

All of this work points to a critical reality faced by young adults and adults alike – to achieve economic success requires some form of post-secondary education or training. This can mean an apprenticeship or industry certification, as well as an associate's, bachelor's, or advanced degree. Enrollment in career technical education in K-12 education has increased in recent years, a promising sign this message is beginning to resonate among students and parents.

“If K-12 can graduate kids that have the ability to read, to do arithmetic, if not some algebra, and have a broader civic understanding of their role in society, if they just do those things, that's all I need to build a productive production workforce.”

– WEST MICHIGAN BUSINESS LEADER



Effective Efforts

College and career readiness is supported by increasing:

- The percentage of 9th grade students graduating from high school
- Industry tours and employer visits as professional development for teachers, administrators, and counselors
- Career exploration opportunities
- The percentage of high school students participating in career preparation activities (CTE, dual enrollment, job shadow, internships, etc.)
- Pre-college experiences
- Industry-recognized credentials
- The percentage of underrepresented populations in career exploration activities

The importance of Adult Education.

Officially, nearly 1 in 10 adults in West Michigan lacks a high school diploma, while more than 36,000 have less than a 9th-grade reading level. But these statistics don't count the hidden population of functionally illiterate adults, estimated at close to 15 percent, who manage to mask their literacy shortcomings.

"Actually, people will be jaw-dropped to see how many people in our community read below ninth grade in English," said a West Michigan business leader in an interview for this report. "The cost of addressing that literacy will seem like chump change next to what it's costing us now. You certainly can't become a welder if you don't have some foundational skills in English language literacy."

To reach our goals, the effectiveness and investment in adult education must improve significantly. This means increasing the number of adults with a diploma or GED and the employability skills and training to succeed in the workplace.

In addition to improving literacy, many employees and job seekers need to sharpen employer-validated soft skills, including:

- Communication and critical thinking
- Time management
- Effort and productivity
- Social wellness
- Relationships and citizenship

Local education and workforce development organizations have the responsibility to help those low-skill individuals gain these foundational requirements. The most effective programs combine basic adult education with career technical education. Employers have a role, by offering literacy assessments, training, and upskilling opportunities to employees through partnerships with educational institutions and community-based organizations.

To improve the employment outcomes for adults receiving education, it is important to connect their studies to training. This is called the integrated education and training (IET) model.

According to an IET Policy 50-State Scan conducted by the National Skills Coalition²¹, only 32 percent of adult education students who were interested in pursuing post-secondary training did so within one year of exiting adult education programs. This speaks to the need to begin training during the education process.

The goal should be to align the adult education system and the workforce development system to provide simultaneous education and training in industries with good and promising jobs. While the prevalence of IET programs is growing, adult education providers, employers, and community organizations must understand the services available and build bridges between them.

²¹ "Skills in the States: Integrated Education and Training Policy," December 2016, National Skills Coalition



1 in 10 adults in West Michigan do not have a high school diploma

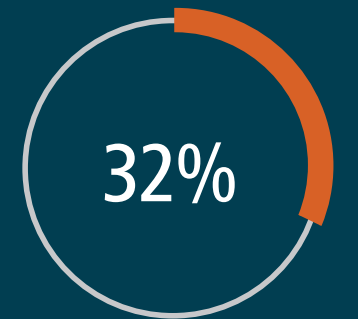
Source: U.S. Census Bureau, American Community Survey, 5-year estimates, (2013-2017)

Effective Efforts

Talent 2025 has identified several effective local Adult Education programs.

One common attribute is that they advance along a continuum, including English as a Second Language (ESL), Adult Basic Education (ABE), Adult Secondary Education (ASE) and General Equivalency Degree (GED). They offer the potential to advance to Career Technical Education or training programs and, in many cases, have flexible hours.

- Customized Workplace English from The Literacy Center of West Michigan is a special pilot.
- The Literacy to Work program in Ottawa County allows students to earn 3 college credits.
- Integrated Education and Training (IET) classes in Allegan allow students to receive their GED plus a certification.
- Linked Muskegon helps students receive their GED plus a certification at the CTE center through convenient, rescheduled evening hours.



only **32%** of students pursue post-secondary training within one year of exiting Adult Education programs, showing the need for concurrent training



36,000

adults in our region have less than a 9th grade reading level

What West Michigan employers see.

To complement the information collected from representatives of the eight stakeholder groups in the West Michigan workforce system, we conducted an online survey of employers and HR professionals. We asked employers what opportunities they provided to expose students to the world of work and potential careers. Internships were the most common opportunity, offered by almost all employers responding. The next most common opportunity was job shadowing, offered by slightly more than half of the respondents, followed by hosting educators in the workplace. Roughly one-third offer apprenticeships or cooperative education.

Grading the Stakeholder Groups

When asked to rate the effectiveness of the workforce stakeholder groups, most respondents gave passing grades. On a scale of 1 (not effective) to 4 (highly effective), most respondents gave a 3 to all sectors – with some noticeable outliers.



Employers were nearly unanimous in identifying West Michigan’s spirit of collaboration as a strength in its workforce system. (This opinion was mirrored in interviews with stakeholder representatives, see pages 62-69.) They cited involved employers

and educators, community partnerships, innovation and a shared concern for developing and retaining talent here.

Areas for Improvement

However, when asked to identify weaknesses in the region’s workforce system, the responses were much more complicated and diverse. Examples include:

- Insufficient labor pool and not enough young workers to replace baby boomers
- A need to reach students at younger ages
- Gaps in diversity recruiting and equity
- Public assistance cutting out at the wrong wage when someone enters the workforce
- Communication about opportunities
- Students leaving high school unprepared socially and academically
- Lack of basic skills, problem-solving abilities
- Overreliance on core group of employers to lead change
- Lack of agility in education and industries
- Lack of affordable training, transportation, housing and placement opportunities

Opportunities to Contribute

And yet, the respondents saw multiple opportunities to contribute to addressing these weaknesses. Suggestions for how employers could address the weaknesses included:

- Being a bridge to other sectors and educating the community on poverty
- Talent development and training
- Engaging early and often with students
- Offering or increasing paid internships
- Increasing diversity in leadership
- Providing more career counseling and professional development
- Continue to connect with educators and engage with other companies
- Supporting strong family initiatives and trade school partnerships
- Develop outreach strategies to drive diversity
- Help with the design of education and training programs

“An employer has no choice but to be active directly in workforce development. And we are. I think we have never done so much internal training. We have never had so many collaborations with public universities, high schools, community colleges on trying to prepare, on trying to elevate the talent of the employee that we end up hiring.”

– WEST MICHIGAN BUSINESS LEADER

To dive deeper into the perspective of the employer, we interviewed CEOs and asked three specific questions. While their responses were not unanimous, some common themes emerged.

1. What do you think the role of West Michigan employers should be in workforce development?

Summary of responses:

- Employers have a direct role in workforce development by providing training and collaborations with educators to improve skills of people they hire.
- Employers also have an indirect role by working with partners to create systems that build and attract talent. This requires clear definition and communication about the competencies they need.
- Employers also need to understand what keeps some out of the workforce, and what gets them to stay. It is in the employer’s self-interest to develop talent.
- Particularly for business-specific skills, the responsibility lies with the employer to provide necessary skills training. Beyond business-specific training, the role in the broader workforce system may not be as clear for employers.

2. What could be done better to get you the talent you need?

Summary of responses:

- Not enough students are leaving K-12 with basic skills necessary to proceed toward skilled or even unskilled trades.
- Manufacturing could attract more talent through elimination of stereotypes of the industry, and students need to be aware of long-term career paths and earning potential.
- Talent must become a priority for the nation, state and region. And we need more on-the-ground discussion, such as that facilitated by Talent 2025, among all the sectors.
- Employers need to improve how they communicate their hiring needs. Some applicants are misjudged and therefore miss opportunities. Progress has been made in reducing the practice of keyword searches of resumes, for example. But employers need to improve in ability to hire for aptitude.

3. If we’re trying to build the best talent system – going from good to great – what needs to happen?

Summary of responses:

- Employers have to allow more career exploration and connecting education to the world of work. The responsibility is not exclusively with education.
- Employers have to have “skin in the game,” for example by making it easier for cash-restricted schools to arrange a site visit by offsetting the costs.
- We need solid K12 education that provides students the opportunity for skilled trades or to pursue an appropriate, useful four-year degree or advanced degree.
- Too often in the past, systems have not been designed with the next generation in mind. In the shift to a global economy, that should concern everyone.
- We need to address barriers to full employment – transportation, healthcare, child care.

“We tend to have the same group of employers doing a bulk of the heavy lifting of getting involved and helping to make change happen.”

– RESPONSE FROM CEO INTERVIEWS



SECTION 3

SEEING EYE TO EYE

Working as a region provides West Michigan the necessary leverage to make worthwhile, effective change. But this also requires all stakeholder groups in the 13-county area to work in concert, aligning their efforts in support of one another. This begins by understanding what each group needs, and what each contributes.

- REGIONAL ASSETS
- NATIONAL INITIATIVES: THEIR ROLE HERE
- BASIS FOR INSIGHTS AND RECOMMENDATIONS
- QUALITATIVE INSIGHTS TO QUANTITATIVE DATA

REGIONAL ASSETS

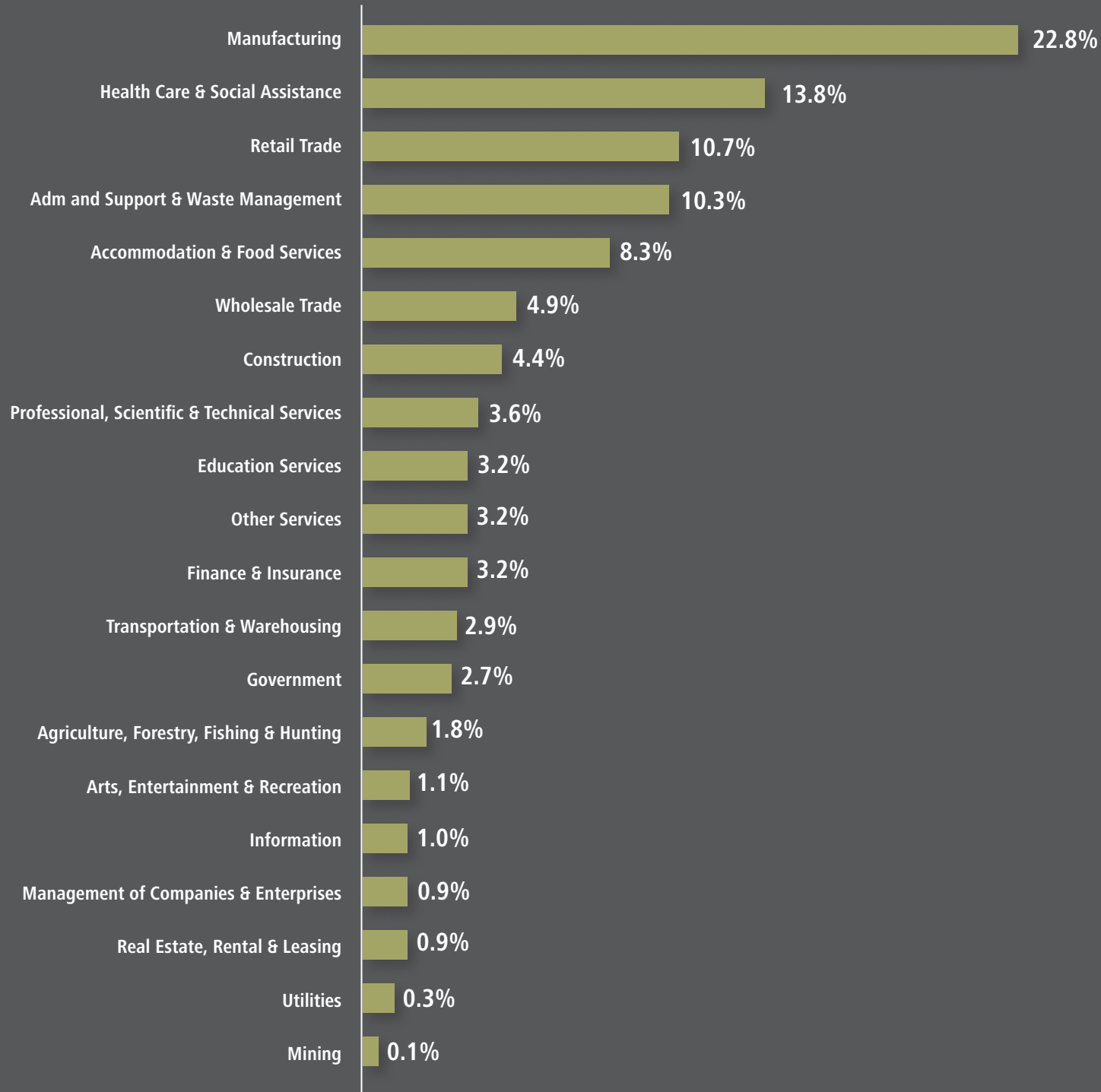
From the start, Talent 2025 has seen the 13-county area that makes up West Michigan as the geographic and economic unit necessary to compete in a global economy. The region is a defined labor shed of 1.6 million residents, with more than 680,000 employed. It's the talent pool from which local employers hire 83.6 percent of their workers. Of Michigan's 10 Prosperity Regions²², only the Upper Peninsula has a higher percentage of its employed population also residing in its region (88.4%). That makes West Michigan one of the most concentrated labor sheds in the state.

On any given day, an employer in West Michigan is drawing talent from two, three, or as many as six counties across the region. This means there must be coherence and alignment across the region in our education and workforce development strategies.

²² Michigan Department of Technology, Management and Budget



Employment by Industry, Share of Jobs, West Michigan (2017)



Total Share of Jobs: 680,633

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages

This regional approach offers the best chance at creating systemic change. The collective stakeholders – K-12 education, post-secondary education, employers, nonprofits, local and state government, policy makers, workforce agencies and funders – create a scale that can solve significant problems no individual community can address alone. Because of shared traits among the communities, solutions remain tailored to suit the region’s needs.

Additional assets include:

Adults in the Labor Force

- 824,432 over the age of 16 (2017); 495,489 between 25 and 54 (2017)
- Annual average for 2018 stands at 832,429

Two Workforce Investment Boards

- West Michigan Works! covers Allegan, Barry, Ionia, Kent, Montcalm, Muskegon, and Ottawa counties
- Michigan Works! West Central covers Lake, Mason, Mecosta, Newaygo, Oceana, and Osceola counties

K-12 Education

- 91 public school districts, 10 intermediate school districts and educational service areas
- Children in K-12: 246,942 (2017-18 academic year), accounting for 16.2 percent of statewide total

Higher Education

- 4 community colleges, 3 public universities, 10 private colleges and universities

Employers

- More than 30,000 companies, employing 680,633 individuals in a wide range of industries
- More than 130 international companies

Voice of Employers

- More than 20 chambers of commerce, economic development agencies and local industry organizations

Philanthropy

- Scores of foundations and funders investing in workforce development, and an untold number of nonprofit community partners

Talent 2025 works with all of these stakeholders. As a coalition of more than 100 CEOs, Talent 2025 acts as a neutral convener of stakeholders. It illuminates gaps, identifies barriers, evaluates solutions, and advocates for leading practices. The corporate citizens of Talent 2025 partner with decision makers from education, nonprofits, government, philanthropy, and workforce development – every sector with a stake in improving the region’s quality of life.



The accomplishments of Working Groups.

Regional stakeholders collaborate with CEOs in six Talent 2025 Working Groups:

- Early Childhood Development
- K-12 Education
- Post-Secondary Education
- Workforce Development
- Workforce Diversity and Inclusion
- Talent Demand

In addition, Talent 2025 convenes an HR Council and a Staffing Agencies Roundtable.

These collaborations have yielded significant advances, as demonstrated in our key performance indicators. A brief summary includes:

Quality Preschool

The expansion of the Great Start Readiness Program has led to greater access to quality preschool for low income children.

Early Literacy

Support of the Reading Now Network, a collective effort of superintendents, school boards and school districts throughout West Michigan is demonstrating measurable improvements in early literacy. Advocacy of the General Education Leadership Network (GELN) is increasing the amount of teacher preparation programs applying GELN essential practices in literacy curriculum.

Employability Skills

For too long, employers have complained many of the region's high school graduates and adults lacked skills like problem-solving, teamwork, and effective communication. Talent 2025 defined a set of 23 employer-validated soft skills, we call Employability Skills, which are now being integrated into learning outcomes for high school students and taught to job seekers by West Michigan Works!

Reverse Transfer Agreements

Reverse transfer is a degree-completion opportunity for students who have started their education at a community college and transfer to university prior to the completion of their associate degree. A reverse transfer agreement may shorten the time to obtain a degree, and also reduce student debt. West Michigan's colleges and universities modeled this practice, which is now the policy for every post-secondary institution in Michigan.

Student Success Ratio

Today's college student is likely to transfer to one or more institutions before completing their degree. Therefore, the graduation rate of an institution provides an incomplete picture of its role in helping the student earn their degree. West Michigan's colleges and universities created the Student Success Ratio, which gives credit to the institution for students who transfer into the institution and go on to graduate. In addition, an institution is not penalized for students who transfer to another institution and continue to be enrolled or graduate. A version of this alternative method is now used statewide.

HireReach

This is a collaborative, three-year initiative between Talent 2025's Diversity and Inclusion Working Group and West Michigan Works! with the purpose of training employers on how to implement the essential elements of an evidenced-based selection process (EBSP). Evidence-based selection is a fair, objective, data-driven strategy that helps organizations reduce bias and make better hiring decisions. It is proven to improve quality of hire, reduce first-year turnover, and increase workforce diversity.

LEADR Exchange (Leading Employer Attraction, Development, and Retention)

This is an online resource for West Michigan's hiring professionals to share and discover leading practices for finding and keeping talent. These are methods designed to work in this region, collected in an easy to browse format and presented by those who are leading those efforts.

Pivot

An online tool supporting the region's employers in their renewed commitment to diversity and inclusion. West Michigan companies identified where they needed support while shifting to better strategies to increase workforce diversity and inclusion. Resources for information as well as implementation are collected and curated in 15 categories to help companies of all sizes and across all industry sectors.

Talent Demand Reports

We believe convening representative contributors in the education and employment sector ensures a match between talent demands and talent pools. Regular reports based on these meetings are critical components of Talent 2025's effort to catalyze and align the talent system in West Michigan. They address the current and future needs of employers by providing actionable talent demand data and analysis. Data tracked includes population growth and migration patterns, educational attainment, labor force and employment across multiple sectors. In addition, these reports compare West Michigan's performance to that of peer communities.

The importance of evidence-based practices.

The initiatives advocated by Talent 2025 to be brought to scale are all evidence-based practices, developed using the most current and relevant data. They are created in controlled environments and later scaled up to be broadly implemented.

This has long been the standard in medicine. Just as clinical trials and research prevent costly, ineffective or harmful treatments from going into wide use, a reliance on evidence-based practices in social policy can prevent the waste of precious time and resources.

Organizations implement evidence-based programs to provide quality services, maximize impact, to be effective in goal setting and attainment, and to better meet accountability requirements. Funders that prioritize organizations using data-driven, evidence-based programs do so to maximize outcomes, provide more efficient use of taxpayer or philanthropic dollars, and see community improvement.

The use of evidence-based strategies should be the norm, not the exception.

NATIONAL INITIATIVES: THEIR ROLE HERE

By building a reputation for workforce innovation and collaboration, along with a strong base of existing education and workforce development efforts, our area has the potential to become a national center for development and refinement of best practices. Several key national partners have been identified:

1

The U.S. Chamber of Commerce Foundation

The Talent Pipeline Management™ initiative applies principles of supply chain management to align employers as end customers of the supply chain originating with educators. This approach has already been successfully adopted by workforce practitioners across Michigan to address skills gaps, increase the quality of candidates for in-demand jobs, and build a sustainable pipeline of skilled talent. Several classes of participants from West Michigan have undergone TPM training. West Michigan has the potential to become a leading practitioner of TPM methods.

2

Credential Engine

This nonprofit's mission is to "create credential transparency, reveal the credential marketplace, increase credential literacy, and empower everyone to make more informed decisions about credentials and their value." In West Michigan, Credential Engine's open-source web strategy could be used to organize the post-secondary credential opportunities.

3

National Fund for Workforce Solutions

The mission of this nonprofit is to "drive practices, policies, and investments that enable workers to succeed in good jobs, provide employers with a skilled workforce, and build more prosperous communities." It is focused on improving workforce systems and business practices regionally by promoting skills-developing, family-supporting careers and inclusive community development. The National Fund's CareerSTAT network of healthcare leaders promotes investment in the skills and careers of frontline workers. In West Michigan, Mercy Health has been recognized as an Emerging Champion of the initiative. Regional collaboratives that support the National Fund mission and fulfill expectations of the partnership have the opportunity to receive grant funding.

4

Hope Street Group

This nonprofit is focused on education, training, hiring and career advancement. Its "Sync Our Signals" program provides leadership, training and tools for workforce professionals to promote education and employment in sectors that make up a third of the nation's jobs: healthcare, manufacturing and retail. In West Michigan, a Hope Street Group partnership would support the training and credentialing of sector facilitators, career coaches, and job analysts.

5

Jobs For the Future

This group drives change in the American workforce and education systems to "promote economic advancement for all." JFF analyzes market data to build regional and state solutions, leveraging national networks. It focuses on equity, employer needs and the future of work. Its innovation engine, JFF Labs, teams with entrepreneurs, employers and funders to spur change. In West Michigan, colleges are benefiting from participating in JFF networks.

BASIS FOR INSIGHTS AND RECOMMENDATIONS

Just as everything we have accomplished so far has been made possible through collaboration, this report is a cooperative effort where stakeholders affirm their roles within the system. Their insights determine what is required from all of us to move from good to great. This is the first step before aligning those efforts for maximum efficiency and best outcomes.

This report is based on:

- Existing research and progress toward benchmarks collected through collaborative efforts of the region's thought leaders, including the more than 100 CEOs who make up the membership of Talent 2025. This library of data is frequently updated, catalogued and publicly accessible on the Talent 2025 website.
- Multiple national and regional research documents, as credited in text.
- Resource mapping collected through regional and national scans of best practices.
- Interviews and surveys of more than 60 West Michigan thought leaders across eight stakeholder groups:
 - K-12 education
 - Community colleges
 - Four-year colleges and universities
 - Employers (including chambers of commerce, economic development and professional/industry groups)
 - Foundations and funders
 - Nonprofit community partners
 - Public workforce development
 - Staffing agencies

By drawing on these resources, we seek to define the key components and alignments of a best-in-class workforce system that draws from leading practices identified locally, nationally and through the insight of stakeholders already doing this work.



QUALITATIVE INSIGHTS TO QUANTITATIVE DATA

With more than 25 hours of interviews generating nearly 350 pages of responses, in addition to online survey collection, our research team was overwhelmed with the amount of data collected. So, we turned to the Calvin College Center for Social Research (CSR) for help with analysis.

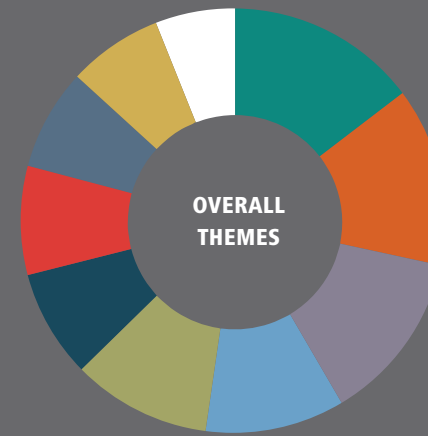
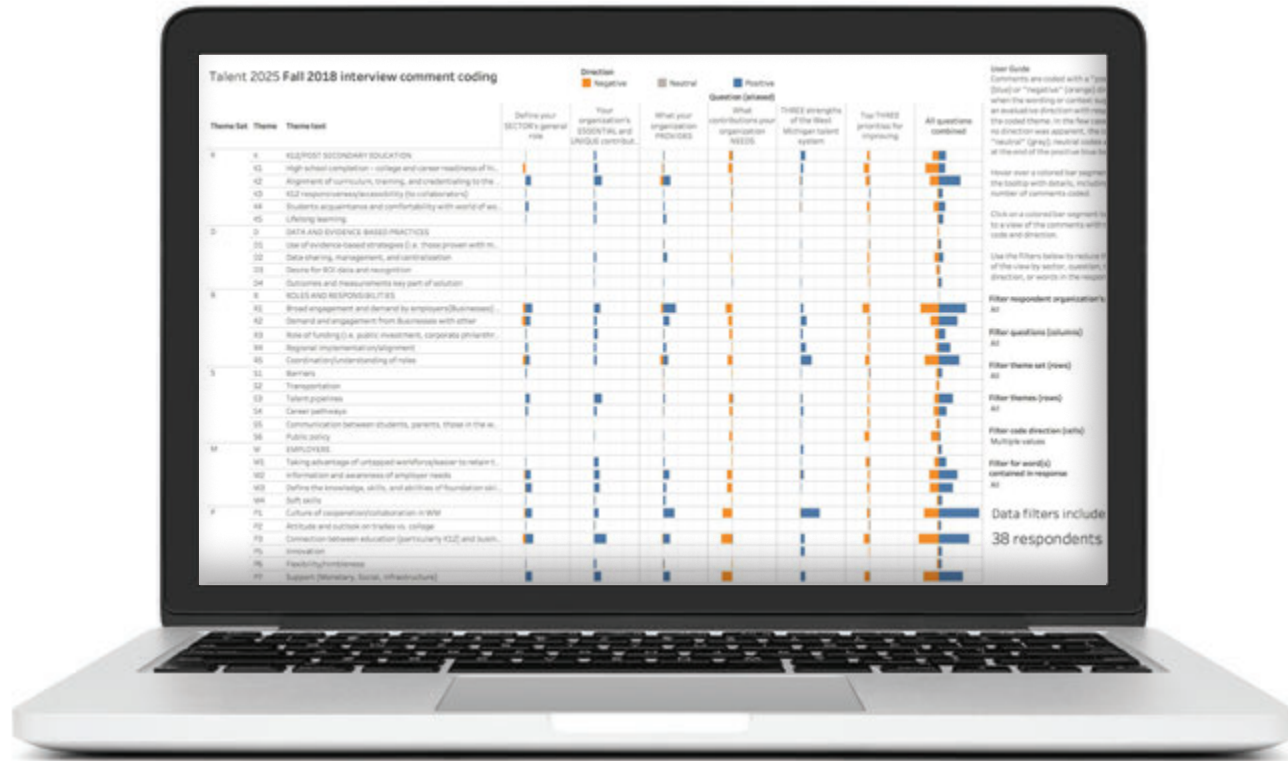
The CSR team identified nearly 40 recurring themes that emerged in the interviews, grouping them under the following broad topics:

- K-12/Post-Secondary Education
- Data and Evidence-Based Practices
- Roles and Responsibilities
- Barriers
- Employers
- Philosophies

Taken as an overview, this allows us to identify the themes mentioned most frequently, and whether respondents had generally positive or negative viewpoints on the current state in West Michigan. Interestingly, when ranked by number of responses, many of the same themes appear in the negative and positive tallies.

The CSR team entered the responses in the Tableau platform, which allows sorting by stakeholder group, questions asked and other combinations. Tableau further allows drilling down to reveal the specific comments applied to that response.

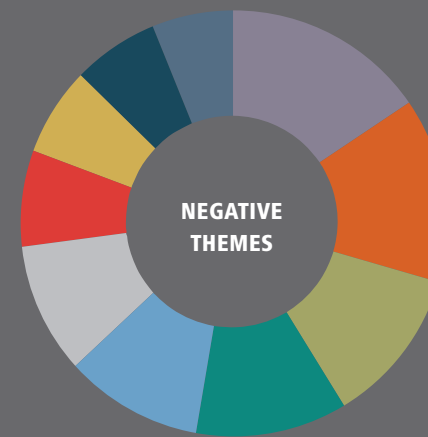
For example, if we sort by the question of “what are your top priorities for improving the West Michigan Talent System,” we can see most of the responses mentioned the theme “broad engagement and demand by employers with education or vice versa.”



- Total Comments** **Top 10 Themes OVERALL**
- 79 Culture of cooperation/collaboration in West Michigan
 - 75 Broad engagement and demand by employers (Businesses) with education or vice versa
 - 72 Connection between education (particularly K-12) and business
 - 58 Coordination/understanding of roles
 - 58 Support (Monetary, Social, Infrastructure)
 - 45 Alignment of curriculum, training, and credentialing to the needs of employers (college graduates' career readiness)
 - 44 Information and awareness of employer needs
 - 42 Demand and engagement from businesses with other
 - 38 Define the knowledge, skills, and abilities of foundation skills and those of in-demand occupations
 - 33 Talent pipelines



- Top 10 Themes with POSITIVE Responses**
- 57 Culture of cooperation/collaboration in West Michigan
 - 43 Connection between education (particularly K12) and business
 - 38 Broad engagement and demand by employers (Businesses) with education or vice versa
 - 34 Support (Monetary, Social, Infrastructure)
 - 30 Alignment of curriculum, training, and credentialing to the needs of employers (College graduates' career readiness)
 - 29 Coordination/understanding of roles
 - 26 Information and awareness of employer needs
 - 26 Demand and engagement from Businesses with other
 - 20 Define the knowledge, skills, and abilities of foundation skills and those of in-demand occupations
 - 20 Talent pipelines



- Top 10 Themes with NEGATIVE Responses**
- 28 Connection between education (particularly K12) and business
 - 25 Broad engagement and demand by employers (Businesses) with education or vice versa
 - 21 Support (Monetary, Social, Infrastructure)
 - 20 Culture of cooperation/collaboration in West Michigan
 - 19 Coordination/understanding of roles
 - 18 High school completion – college and career readiness of high school graduates
 - 13 Information and awareness of employer needs
 - 12 Define the knowledge, skills, and abilities of foundation skills and those of in-demand occupations
 - 12 Alignment of curriculum, training, and credentialing to the needs of employers (College graduates' career readiness)
 - 11 Demand and engagement from Businesses with other

What respondents said about priorities.

If we focus on a single question, where we asked participants to identify their priorities for improving the workforce system in West Michigan, it is possible to identify the top themes that emerged. Some of the themes appear similar in nature (for example, the first and second ones below) but it is worth restating that themes were applied by independent researchers.

Themes and samples of responses:

1. (ROLES) Broad engagement and demand by employers (business) with education and vice versa

"We want to be responsive to business, but it's time to start educating the businesses on what the next generation of talent is going to demand from them."

"We can't wait until kids are leaving high school to educate them and their parents about what the talent system is going to be for them."

"We have engaged our business community and many of them have enthusiastically embraced some of this stuff. But you have on the negative end, you may have a high school that has 20 employers engaged with them for many reasons and now high schools can no longer manage, from a staffing standpoint, all these employer relationships. ... So, somebody needs to funnel that employer enthusiasm for helping the schools, so the school doesn't get overwhelmed."

"I think it's just an unparalleled degree of collaboration that I've seen here in West Michigan – and across the board, from the business sector ... to how business groups collaborate with the K-12. I think the degree of collaboration is second to none. But for all the resources, all the goodwill we have in West Michigan... this is what will be required for us to take our game to the next level: alignment among the various sectors."

2. (PHILOSOPHY) Connection between education, particularly K-12, and business

"One of our priorities is continuing to expand opportunities for students to have job shadows, internships, onsite job-embedded experiences prior to graduating, and I think we've come a long way in that regard, but I think there's still a better opportunity for us to expand."

"K-12 education, if we could figure that out – that's not just local, that's national – that would be key. We need living wage jobs at the end. We see people to get placed into these great programs – hard skills, soft skills – oftentimes there aren't jobs at the end of the rainbow for people of color. We need alignment between employers and the needs of K-12."

For educators, "our challenge is continuing to make learning relevant for our students who are still kind of constrained by the Michigan Department of Education requirements for graduation. ... For those students who are interested in site-based opportunities, how can we award them a math credit, a language arts credit, in an alternative manner to again make their learning relevant to their future goals."

"We know in this market, we have three bundles of jobs that employers need help with. One is just the general factory worker type, whatever that job might look like. The second is the skilled trades, your welders, your machinists, your technicians. And then the third big bucket that they need so much is the engineers. I am all in support of helping kids get through that technical education, whether it is the four-year degree or the technical education, but the math-science track I think is really important. Career exploration, support to help kids see they can be successful in math-science careers, is important."



3. (K-12/Post-secondary) High school completion and career readiness

"We have to stop saying, 'either trades or four-year.' It could be both/and. Part of thinking nontraditionally about education is realizing these multiple ongoing paths that exist as our economies change. Things are just shifting so much differently. There needs to be a recognition that education continues, that training needs to continue."

"We all know that jobs our students are going to have five or 10 years down the road probably don't exist, so we need to really reimagine how we're educating and training students for those jobs."

"We've got to get the basics right. If you don't have basic literacy and numeracy skills, not only how are you going to get into a good paying job – because a lot of these middle skill, new economy jobs require basic literacy and numeracy competency – but then how are you going to continue to upskill during your career? Because that's also required."

"I see so much opportunity for really meaningful career exploration, apprenticeships, for considering a broader career path. Especially if we want our kids to stay and work in our community, instead of the brain drain that we have sometimes experienced, we need to entice them with what's available locally. So I think employers have a big opportunity there."

"How can we make sure that the degrees that people are coming out with are clear pathways to local jobs?"

4. (PHILOSOPHY) Support – monetary, social, infrastructure

"Back to the wages -- that's a really big issue, in some of our counties in this region."

"This country is horrible to working mothers. Look at the maternity policy, different leave options and stuff like that. Until we find an answer for that, we are missing out on a very, very big part of the workforce that I don't think many people are talking about."

"I know there's been some work around data of how families are struggling, but what are we doing outside of school that's affecting families that can help them think about school and career and work, etc.?"

"I think there are parts of the continuum, in the public sector, that really need to look at the data. ... Across Michigan we are a very, very poor performer, actually, when it comes to certain milestones like third-grade reading or kindergarten-ready out of the pre-K world."

"We need a strong voice in Lansing to have the legislative folks understand that their investment is critical for the long-term survival of Michigan as a competitive state in the nation and as a global way, too."

"It's important to keep an eye toward equity as we're looking at the employment statistics. That is a critical priority I would like to see more people embracing. I think there are some great examples in our community where people have looked at hiring practices, retention practices differently and have seen some great results."

5. (BARRIERS) Public policy

"We need practical immigration policy, practical pathways to citizenship. Not ideological, not reactive -- very rational, very sane, very business-minded immigration policy. We work with people all the time who are very hard working, they have education, they have no path to citizenship. They are doing cash jobs. People with dentistry degrees. It's just irrational on every level. And I'll tell you, a lot of the businesses we work with feel the same way."

"I think some communities are doing better with equitable pathways than we are. I think a lot of white people and maybe people of color who grew up in this community aren't aware of how bad it is here. It's something we need to be ashamed about. We need a reckoning on it, and some real committed change to it."

"The Legislature has had 20 years of legislating public education but there have not been a lot of results. There's a lot of cost with it, a lot of degradation with it, a lot of soul-sucking in the teaching profession. Inadequate funding formulas. I feel like it's been over-legislated. It's over-politicized."

"It makes it so hard for people who are along that ALICE threshold to step away or get stronger, due to some of the policies that are in place. ... There are a good number of people who are not in the workforce that could be, but their hands are tied."

"Sometimes you need the blunt instrument of a public policy to get everybody focused on what we should be focused on anyway because we know the research."



Looking for alignment.

Participants also were asked to identify which stakeholder groups needed more alignment with each other. The CSR team entered the data to produce this visualization taken from Tableau. The data compiled from this process, along with additional interviews with CEOs and survey collection from HR directors, will continue to inform our initiatives.

Alignment Matrix Heat Map

From your perspective, where would you like to see better alignment with...

Better alignment of: [row] with: [column]	K-12 Education	Community Colleges	Four-Year Colleges & Universities	Public Workforce Agencies	Nonprofit Organizations	Staffing Agencies	Employers	Funders & Foundations
K-12 Education		58%	50%	34%	24%	11%	79%	34%
Community Colleges	55%		61%	34%	13%	18%	61%	29%
Four-Year Colleges & Universities	58%	61%		26%	16%	18%	76%	29%
Public Workforce Agencies	53%	50%	37%		32%	29%	53%	18%
Nonprofit Organizations	47%	47%	29%	50%		21%	47%	39%
Staffing Agencies	26%	42%	24%	45%	26%		53%	13%
Employers	71%	61%	61%	53%	45%	32%		34%
Funders & Foundations	68%	55%	50%	37%	61%	18%	39%	



Insights from the participants.

THE IMPORTANCE OF ALIGNMENT

The first thing we need from the other sectors is for them to recognize the importance of talent development and what their role is in it, and how they might need to – usually it’s not a radical change – but how can they refocus their energies in ways that could contribute to the talent development system. Because if we’re all looking for someone else to solve this very serious problem, it’s not going to get solved. It’s going to take all of us working in concert, and first recognizing there’s a problem, and second, recognizing what is my role in it and how can I be part of the solution.

HOW WE WORK NOW

I know of no other talent system in the country where business, education, and nonprofits even attempt to communicate with each other the way they do in West Michigan. It is purely extraordinary and so then other communities come to look at us, or someone asks any one of us to come and tell them how to do it, it gets very hard to do. There’s genuine respect in communication here across the various sectors that’s pretty unique. It’s a real strength.

AMBITIONS FOR THE FUTURE

I feel we work across systems rather well in terms of setting up strategies and programs and a vision for what we want the talent system to look like. I feel like we do communication rather well across the system. ... I also feel like we’ve done a good job of setting the vision of where we want to go with the talent system. I feel like West Michigan is an area that’s not content with the present but is always pushing toward that vision of the future.

SECTION 4

GOALS AND STRATEGIES

It's about opportunity. Just as West Michigan has always done, we are prepared to set a higher standard for our workforce system. This requires a sense of urgency and commitment. Every stakeholder has a role to play.

LEVELING UP: MILESTONES TO THE TOP 20

LEVELING UP: MILESTONES TO THE TOP 20

We've already introduced six measures of the region's overall performance to achieving a top 20 ranking for talent nationally. Yet, success is more than achieving a set of numeric benchmarks. Success is the interrelationship of so many stakeholders to ensure every resident thrives, employers have the talent they need for success, and our communities and region prosper.

We believe achieving top 20 status – going from good to great – requires an effective and aligned talent system that results in these outcomes:

- 1 **Increase median annual household income by \$7,047 to \$62,796**
Current national ranking: #50
- 2 **Decrease individuals in poverty by 1.9 percentage points**
Current national ranking: #42
- 3 **Increase adults with education beyond high school by 6.5 percentage points**
Current national ranking: #69
- 4 **Increase employment in STEAM occupations by 7.3 percentage points**
Current national ranking: #101
- 5 **Increase labor force participation rate for persons 16+ by 2.6 percentage points**
Current national ranking: #46
- 6 **Increase population change by 3.4 percentage points**
Current national ranking: #55



Strategies for going from good to great.

We will know we have moved from good to great when employers have access to educated and skilled talent to fulfill current and emerging needs. In this better future, everyone will have access to education and training that is aligned to the needs of employers.

For young adults, career exploration and coaching will help them pursue the education and training they need for good jobs and career paths suited to them. Adults already in the workforce will be supported by employers, educators and training partners to get the education and skills to stay up to date – or get a better job or move into another career. Adult job-seekers will receive effective career coaching leading to the education or training they need to obtain a good job and career path suited for them.

By establishing policies and funding that encourage the use of best practices, eliminate barriers, and increase alignment, we improve the quality of life for everyone in West Michigan, and set a standard to which other regions can aspire. These are ambitious strategies, but West Michigan knows it requires ambition – a resource it has in abundance. This is why we have seen such a concerted effort in recent years from our stakeholders. They know the stakes.

1

Raise awareness of education and lifelong learning as essential tools to success.

Many in West Michigan don't recognize the necessity of a post-secondary education or training in today's knowledge-based economy.

3

Build broad employer engagement with educators and workforce leaders.

Education and workforce leaders rely on a relatively small number of employers to inform what education and training programs are needed and to provide career exploration opportunities for students.

2

Reduce barriers to employment and workforce participation.

Successful career and economic mobility can be difficult to achieve when job seekers encounter systemic obstacles outside of their control.

4

Increase the quality and frequency of information about demand for jobs, aligning more education and training programs to careers.

Employers need talent with a growing array of education, skills, and competencies, which need to be communicated with greater specificity and regularity to education and training providers.

5

Improve career exploration, coaching, and navigation.

Help students and adults find the best job and career path suited to them. Better job demand data and guidance can improve the efforts of educators, workforce organizations, and employers to develop the current and future workforce.

7

Become a national leader in workforce development.

It is time to build on West Michigan's recent success, assets, and collaborative spirit by taking leading practices to scale and replicating successful national strategies.

9

Attract and retain more educated talent.

West Michigan is faced with the challenge of an aging workforce. We must keep more of our educated and skilled talent and become a more welcoming and inclusive place for all.

6

Align public policies and investments toward evidence-based strategies.

Focusing efforts toward proven strategies can maximize the limited community, government, and employer resources and decrease the tendency to support new but untested methods.

8

Prioritize credential attainment.

The high school diploma or equivalent (paired with employability skills) is the new minimum for economic sustainability. Even then, it is only a waypoint on the journey to a post-secondary credential to achieve career and economic success. The percentage of adults without a diploma must be reduced significantly while high school graduation rates and post-secondary credentials increase.

SEE
WHAT
HAS
BEEN
DONE.
BELIEVE
WHAT
WE CAN
DO.





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