



West Central **WORKFORCE** Initiative

A decade-long effort to improve the value of work and address severe workforce shortages in west central Minnesota

Key Understandings

- An exclusively rural focus
- A mission focusing on regional viability
- Strategic planning cycle tied to McKnight Foundation resources
- A major focus on regional economic development lending
- Research showing negative impact from creating low wage jobs.



Our Catalysts

- Strategic planning (Board and Staff) identified impending workforce shortages as a major threat to regional viability
- Board committed \$1.0 million in grant funds over four years to develop a regional response to this threat.



Four simultaneous Points of Entry to the RDP Circle

- Which Resources and How Much?
 - \$1.0 million
- How Long?
 - Four year initial commitment
- What?
 - “Improving Employment” by addressing workforce shortages & improving the value of work.
- Where?
 - Entire nine county region.



Middle Six Questions

Which Resources & How Much?

- Initial Commitment of \$1.0 million
 - Recognition that we were tackling a huge issue
 - Desire to make a “statement” about seriousness of issue to raise public awareness
- Staff Commitment - .5 FTE



Middle Six Questions

How Long?

- Long-term nature of problem – at least 30 years, peaking around 2020
- Initial commitment for four years equaled balance of strategic planning cycle and McKnight funding commitment



Middle Six Questions

Where?

- Entire Nine County Rural Service Region
 - Strong organizational preference for regional approaches.
 - Six employment centers in region have overlapping worker catchment areas.
 - Desire to avoid destructive forms of sub-regional competition.



Middle Six Questions

What?

- “Improving Employment”
 - Addressing workforce shortages
 - Improving the value of work
- Initial Tactics:
 - Worker Retraining Grants
 - Training Capacity Building Grants



An unfortunate shortcut

- WCI proceeded to launch a major grant program without sufficiently answering “for whom” and “with whom”.
- Nearly a year passed with minimal progress.
- Convened a regional group to identify what went wrong.



What went wrong?

■ Business Barriers

- Unfamiliarity with grants
- Aversion to paperwork
- Inability to locate fiscal agent
- Difficulty envisioning problem's impact on them

■ Nonprofit and Educational Barriers

- No data to justify projects
- Paradigm shift required



Solutions:

- Answer the “**With Whom?**” question by creating a regional coalition of stakeholders (Labor Force Council) and finding service delivery partners.
- Answer the “**For Whom?**” question by conducting research about labor shortages and workforce availability.



Middle Six Questions

With Whom?

- A regional partnership of stakeholders – “Labor Force Council”
 - Recruited a broad cross-section
 - Vested with real planning authority
 - Intentionally included the opposition
- Strategically selected program delivery partners



Middle Six Questions

For Whom?

- Low-skill, low wage workers, particularly in manufacturing settings
- Youth
- Groups underrepresented in the workforce
 - Minorities and immigrants
 - Senior citizens
 - Those with disabilities



Impact on other questions

■ What?

- Partnership identified additional tactics, including the partnership itself.
- Answering “For Whom” helped redefine and refine tactics.

■ Which Resources & How Much?

- Partnership driven model required much more staff time than traditional reactive grantmaking



Question Eight

So What?

■ Major Desired Outcomes

1. Program participants will benefit economically from being trained or retrained with skills in short supply in the region's workforce.
2. Youth will be less likely to leave the region due to perceived lack of economic opportunity.
3. High wage employers (manufacturers) will be strengthened & become less subject to economic cycles.



Question Eight

So What?

■ Sample Indicators

- Increased wages for participants
- Percentage of targeted workers retrained
- Increased youth retention rate
- Regional resiliency to recession (e.g. employment & unemployment rates, especially in a recessionary climate)



Question Eight

So What?

- Examples from Tracking Plan
 - Monthly aggregation & reporting of key performance measures.
 - Independent research into wage impact of retraining grants.
 - Monitoring of employment statistics.
 - Long-term monitoring of youth migration rates.



Question Eight

So What?

■ Reflection process

- Regular review of outcomes and two-year strategic planning cycle by Labor Force Council.
- Incorporation into WCI planning cycle including major five-year strategic plan and annual review and adjustment.



The Best Things...

- Retrained more than 40% of the region's manufacturing workforce since 1992.
- Documented \$4.00 in increased annual wages for each \$1.00 invested in our key strategy.
- Developed incredible synergism among partners.
- Cited by state as one of two examples of a viable model for regionally focused workforce development in Minnesota.
- Recession has had minimal impact on region's economy.



The Toughest Things...

- Launching a major grantmaking initiative and being largely ignored.
- Turf protection and inflexibility among traditional service providers.
- Not becoming complacent with success.



Lessons Learned...

- Don't short circuit the process!
- Involve stakeholders in planning and program design from the outset.
- Partnerships with stakeholders are much more effective than traditional grantmaking (& much more staff intensive too).
- Effective partnerships require loosening your control over resource allocation decisions.
- “Partner” & “Expert” are mutually exclusive roles.

