

## BACKGROUND

A regionally focused and sector-oriented framework was developed to provide timely information relevant to promoting workforce development initiatives across geopolitical boundaries. “Regionally focused” entails the establishment of sustainable partnerships, over a broad array of stakeholders, that make data-driven decisions to (1) support the present and future needs of employers and job seekers; (2) make changes to improve delivery of services to employers and workers, industry practices, and public policies; (3) and maintain the long-term economic competitiveness of the region. “Sector-oriented” entails operating under an integrated industry sector-based system of education, training, and support services that encourage educational attainment and skill development, as well as career pathway development, for all workers in the region. Regionally focused and sector-oriented initiatives emerge from collective processes of interaction between stakeholders whose interests are to think and act regionally.

Most regionally focused and sector-oriented initiatives focus on a single industry sector. Here, we provide, for the first time, a web-based tool to promote a holistic approach to regionally focused, sector-oriented strategies. Indeed, multiple industry sectors contribute to the overall economy of a region. In general, an industry sector is a group of employers that share common workforce needs. In the context of regionally focused strategies, the goal is to create partnerships of employers, training/education providers, community organizations, and other key stakeholders to meet workforce needs while creating access to good jobs in the region.

The success of regionally focused and sector-oriented workforce development strategies must rely on a clear picture and understanding of (1) job availability and growth in the short and long term by sector; (2) education and job skill require-

ments in the short and long term by sector; and (3) availability of resources and assets necessary to promote, maintain, and expand economic competitiveness in the region via sustainable partnerships.

Within the framework of sector strategies, this web-based tool provides information at both the regional and county levels so that:

- Changes in industry composition and relative job skill requirements can be assessed to develop regionally focused strategic initiatives.
- Challenges and opportunities can be identified to improve workforce participation and reduce underemployment in the region.
- Shortages of skilled workers in high-demand areas of growth can be addressed.
- The region can be marketed as a good fit for high-skill, high-wage jobs.
- The region can become more data-driven and performance-based in aligning partnerships across stakeholders involved in workforce and economic development.

“REGIONALLY FOCUSED  
AND SECTOR-ORIENTED  
INITIATIVES EMERGE FROM  
COLLECTIVE PROCESSES OF  
INTERACTION BETWEEN  
STAKEHOLDERS WHOSE  
INTERESTS ARE TO THINK  
AND ACT REGIONALLY.”

# TRI-STATE REGIONAL WORKFORCE ALLIANCE

## TRI-STATE REGIONAL WORKFORCE ALLIANCE

Tri-State Regional Workforce Alliance Inc. encompasses 26 counties in three states—Tennessee, Alabama, and Georgia—with more than 60 partners in economic development, regional planning, education, and entrepreneurship. The projects and activities of the Alliance are managed cooperatively by three leading agencies:

### SOUTHEAST TENNESSEE DEVELOPMENT DISTRICT

### NORTHWEST GEORGIA REGIONAL COMMISSION

### NORTHEAST ALABAMA COMMUNITY COLLEGE

The Alliance was formed because of the belief that a strategic regional approach to talent development—that goes beyond political boundaries—is critical to maintaining economic competitiveness in a growing, global knowledge-based economy. The idea took root in January 2006 when participants from the Tri-State Region overwhelmingly expressed a strong desire to organize on a more formal, regional basis. In March 2009, the Alliance was officially formalized as a nonprofit organization.



**VISION.** The Tri-State Region is recognized as a great place to do business, where conditions are favorable to entrepreneurial pursuits, where knowledge creation and information transfer are as much a part of the landscape as the mountains and rivers, and where local talent is developed—and wants to stay.

**MISSION.** We will advance economic and workforce development viability and sustainability by collaborating to meet the current and future talent needs of the Tri-State Region.

The Alliance is guided by a board of directors that represents local government, key private sector businesses, local workforce board chairs, and local workforce program administrators from each of the three states. The Alliance has engaged in regionally focused initiatives since its inception. Specifically, it has:

- Created a website ([www.tristateworkforce.com](http://www.tristateworkforce.com)).
- Established an online database ([www.certificatekey.com](http://www.certificatekey.com)) of WorkKeys Assessment completers.
- Crafted MOUs between workforce boards, educational entities, and training providers across political boundaries.
- Participated in national best-practice conferences.
- Hosted nationally known speakers to help guide the Tri-State Region toward economic success.
- Launched a website (<http://www.nsparc.msstate.edu/sites/Tri-State-Website>) to provide detailed labor market information for the region as a whole and each county within the region.

# ECONOMIC IDENTITY AND GEOGRAPHIC SCOPE OF THE ALLIANCE

## TRI-STATE REGIONAL WORKFORCE ALLIANCE

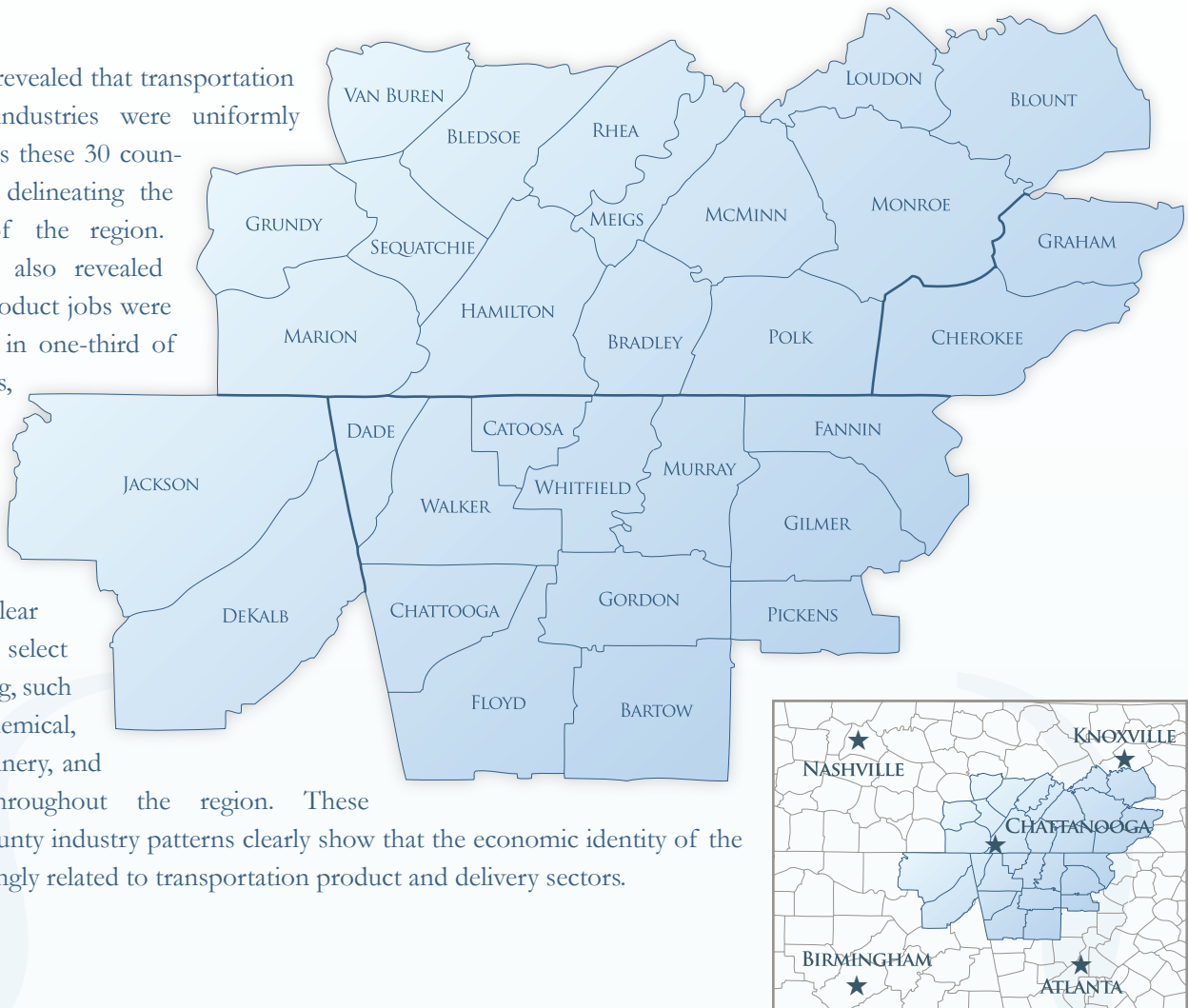
The economic identity and geographic scope of the region were determined with a county-by-county analysis of industries and occupations in the Alliance's original counties and their surrounding area. The analysis showed that transportation and select manufacturing industries were concentrated in a 30-county pattern across Tennessee, Alabama, Georgia, and North Carolina.

The analysis revealed that transportation and metal industries were uniformly present across these 30 counties, thereby delineating the geography of the region. The analysis also revealed that fabric product jobs were concentrated in one-third of the counties,

especially in Alabama and Georgia. Finally, the analysis

identified clear pockets of select manufacturing, such as food, chemical, plastic, machinery, and furniture, throughout the region. These

county-by-county industry patterns clearly show that the economic identity of the region is strongly related to transportation product and delivery sectors.



“...THE ECONOMIC IDENTITY  
OF THE REGION IS STRONGLY  
RELATED TO TRANSPORTATION  
PRODUCT AND DELIVERY SECTORS.”

# TRANSPORTATION PRODUCT AND DELIVERY SECTORS

## TRI-STATE REGIONAL WORKFORCE ALLIANCE

**T**RANSPORTATION. In the Tri-State Region, there are approximately 41,000 jobs in transportation, and approximately two-thirds of those jobs are in truck transportation, railroad transportation, and warehousing. Jobs in truck transportation are 150 percent times more concentrated in the region than they are in the nation. Similarly, jobs in railroad transportation and warehousing are 23 and 16 percent more concentrated in the region than they are in the nation, respectively. Projections also indicate that jobs in truck transportation and warehousing are expected to grow, while jobs in railroad transportation are expected to decline. These data show the importance of truck transportation and thus the importance of highway infrastructure for the economic viability of the region. Such infrastructure is currently linking the region, with Chattanooga as the core, to four major metropolitan areas: Birmingham, Nashville, Knoxville, and Atlanta.

**M**ETAL. In the Tri-State Region, there are approximately 23,000 jobs in metal industries, with more than half of these jobs in transportation equipment manufacturing. The remaining half is in fabricated metal product manufacturing and primary metal manufacturing. Jobs in these three industries are more concentrated in the region than they are in the nation as a whole. Specifically, jobs in primary metal manufacturing, transportation equipment manufacturing, and fabricated metal product manufacturing are 120 percent times, 68 percent, and 17 percent more concentrated in the region, respectively. Jobs in transportation equipment manufacturing and fabricated metal product manufacturing are expected to grow by 15 and 25 percent, respectively. In contrast, jobs in primary metal manufacturing are expected to decline by approximately 5 percent, which is below the expected national decline, so jobs in this industry will remain relatively stable and continue to be a key contributor to the region's economy.

**F**ABRIC PRODUCT. In the Tri-State Region, there are approximately 44,000 jobs in fabric product manufacturing, with significant concentrations in Georgia and Alabama. Approximately 90 percent of these jobs are in textiles. Textile jobs are 45 times more concentrated in the region than they are in any other part of the nation, making the region the capital of textile product manufacturing. The remaining 10 percent of fabric product jobs are in apparel manufacturing, and they are four times more concentrated in the region than they are in the nation. Overall, these industries are expected to decline, on average, by 20 percent, which is double the expected national decline. Historically, fabric product industries have played an important role in the economic viability of the region, but in the next 10 years, fabric industries face three possible realities under the pressure of globalization in a knowledge-based economy: (1) innovate, (2) relocate, or (3) evaporate. For the industries to continue to be an integral part of the regional economy, the only option is to innovate so that productivity will increase via technology and a high-performance workforce.

**S**ELECT MANUFACTURING. In the Tri-State Region, there are approximately 38,000 jobs in five other manufacturing industries, with a concentration of jobs substantially higher than the national average. Specifically, the industries are food, chemical, machinery, plastic, and furniture manufacturing, and their jobs are 35 to 150 percent times more concentrated in the region than they are in the nation. Overall, these industries are expected to decline, on average, by 8 percent, but they will maintain an appreciative concentration of jobs in the region.

In sum, there are 145,000 total jobs in the transportation product and delivery sectors for the region. On average, the job concentrations in these sectors are twice as high in the region as they are in the nation. Overall, they are expected to decline by only 1 percent, with transportation and metal jobs expected to grow by 22 percent and more than 10 percent, respectively. Maintaining, supporting, and expanding jobs in transportation product and delivery sectors are important for two reasons:

- These industries sell their goods and services to customers outside of the region. Therefore, they are an important source of revenue insofar as supporting the establishment and expansion of businesses that provide essential goods and services to local populations in the region (e.g., education and healthcare).
- As transportation product and delivery sectors transform themselves to become more technologically focused and innovation-driven and less labor-intensive, they become a valuable source of workforce for the expansion of other industries in the region.

*\* The table on the following page reports detailed statistics on transportation product and delivery sectors in the region.*

# TRANSPORTATION PRODUCT AND DELIVERY SECTORS

NAICS CODE	INDUSTRY	CURRENT JOBS	10-YEAR PROJECTION	PERCENT CHANGE	LOCATION QUOTIENT
<b>TRANSPORTATION</b>					
484	Truck transportation	23,949	26,138	9%	2.51
492	Couriers and messengers	4,791	6,278	31%	1.20
493	Warehousing and storage	3,925	4,066	4%	1.16
491	Postal service	3,071	3,340	9%	0.89
488	Support activities for transportation	1,514	1,833	21%	0.51
482	Rail transportation	1,465	1,097	-25%	1.23
485	Transit and ground passenger transportation	1,306	1,478	13%	0.42
481	Air transportation	681	1,001	47%	0.29
487	Scenic and sightseeing transportation	202	310	53%	0.94
483	Water transportation	65	112	72%	0.21
486	Pipeline transportation	62	64	3%	0.30
	<b>TOTAL</b>	<b>41,031</b>	<b>45,717</b>	<b>22%</b>	<b>--</b>
<b>METAL</b>					
336	Transportation equipment manufacturing	11,144	12,771	15%	1.68
332	Fabricated metal product manufacturing	7,854	9,780	25%	1.17
331	Primary metal manufacturing	3,964	3,770	-5%	2.16
	<b>TOTAL</b>	<b>22,962</b>	<b>26,321</b>	<b>12%</b>	<b>--</b>
<b>FABRIC</b>					
314	Textile product mills	27,688	25,397	-8%	44.97
313	Textile mills	11,841	9,603	-19%	18.78
315	Apparel manufacturing	4,293	2,913	-32%	4.18
	<b>TOTAL</b>	<b>43,822</b>	<b>37,913</b>	<b>-20%</b>	<b>--</b>
<b>SELECTED MANUFACTURING</b>					
311	Food manufacturing	12,307	10,332	-16%	1.67
325	Chemical manufacturing	7,322	6,962	-5%	1.81
333	Machinery manufacturing	7,025	6,627	-6%	1.35
326	Plastics and rubber products manufacturing	5,693	5,257	-8%	1.78
337	Furniture and related product manufacturing	5,114	4,766	-7%	2.53
	<b>TOTAL</b>	<b>37,461</b>	<b>33,944</b>	<b>-8%</b>	<b>--</b>
	<b>TOTAL TP&amp;D OVERALL</b>	<b>145,276</b>	<b>143,895</b>	<b>-1%</b>	<b>--</b>



## OTHER SECTORS

### TRI-STATE REGIONAL WORKFORCE ALLIANCE

While transportation product and delivery sectors make up the economic fingerprint of the region, six other sectors contribute considerably to the region's economic viability: (1) construction, (2) leisure and hospitality, (3) health services, (4) professional and business services, (5) FIRE (finance, insurance, and real estate) & information, and (6) extractive industry. These sectors provide approximately 400,000 jobs to the region, and this figure is expected to increase by 25 percent, adding approximately 100,000 jobs.

These jobs are not as concentrated in the region as they are in the nation; thus, there is considerable room for growth if the region follows the national trend. However, the growth of other sectors depends very much on the sustainability of good jobs in the transportation product and delivery sectors, the economic identity of the region. Current and expected jobs in these sectors are reported in the table below.

### CURRENT EMPLOYMENT & 10-YEAR JOB GROWTH: OTHER SECTORS

	CURRENT JOBS	10 -YEAR PROJECTION	PERCENT CHANGE	LOCATION QUOTIENT
<b>Construction</b>	59,136	11,088	18.8	1.25
<b>Leisure &amp; Hospitality</b>	64,275	14,358	22.3	0.85
<b>Health Services</b>	74,709	24,430	32.7	0.82
<b>Professional &amp; Business Services</b>	86,967	23,614	27.2	0.76
<b>FIRE &amp; Information</b>	74,888	23,990	32.0	0.78
<b>Extractive Industries</b>	22,006	-1,760	-8.0	1.01
<b>Total</b>	<b>381,981</b>	<b>95,720</b>	25.1	0.61

“...THE GROWTH OF OTHER SECTORS DEPENDS VERY MUCH ON THE SUSTAINABILITY OF GOOD JOBS IN THE TRANSPORTATION PRODUCT AND DELIVERY SECTORS...”

## EMERGING SECTORS

### TRI-STATE REGIONAL WORKFORCE ALLIANCE

Emerging sectors are top-growth areas experiencing considerable and often rapid expansions of business. Within the Tri-State Region, there are several new or expanding businesses that will both directly and indirectly impact job creation. In fact, the region is currently home to two of the three largest expansion projects in Tennessee, and projections for the region indicate that 20,000 jobs will be created over the next 10 years as a result of new and expanding businesses. A prime example of a business that will both

directly and indirectly create jobs in the region is Volkswagen. Volkswagen is expected to directly create 2,000 jobs via new hires that in turn could indirectly create as many as 8,000 other jobs via support businesses and increased economic activity in general. The ability of the region to attract, retain, and expand businesses will very much depend on its ability to sustain the growth of a high-performance workforce. A list of new and expanding businesses with the potential to boost job creation in the region is provided in the table below.

## JOB GROWTH IN EMERGING SECTORS

FIRM	DIRECT	INDIRECT
Volkswagen	2,000	8,000
Wacker Chemic AG	500	1,500
Bellefonte Nuclear Facility	400	1,200
AP Plasman	350	1,050
Alstom	350	1,050
Gestamp	230	690
IVC	115	345
Bentley Dye	75	225
TVA Nuclear Training Center	50	150
Southern Tool Steel	45	135
Genera Energy	20	60
<i>Total</i>	<b>4,135</b>	<b>14,405</b>

“THE ABILITY OF THE REGION TO ATTRACT, RETAIN, AND EXPAND BUSINESSES WILL VERY MUCH DEPEND ON ITS ABILITY TO SUSTAIN THE GROWTH OF A HIGH-PERFORMANCE WORKFORCE.”

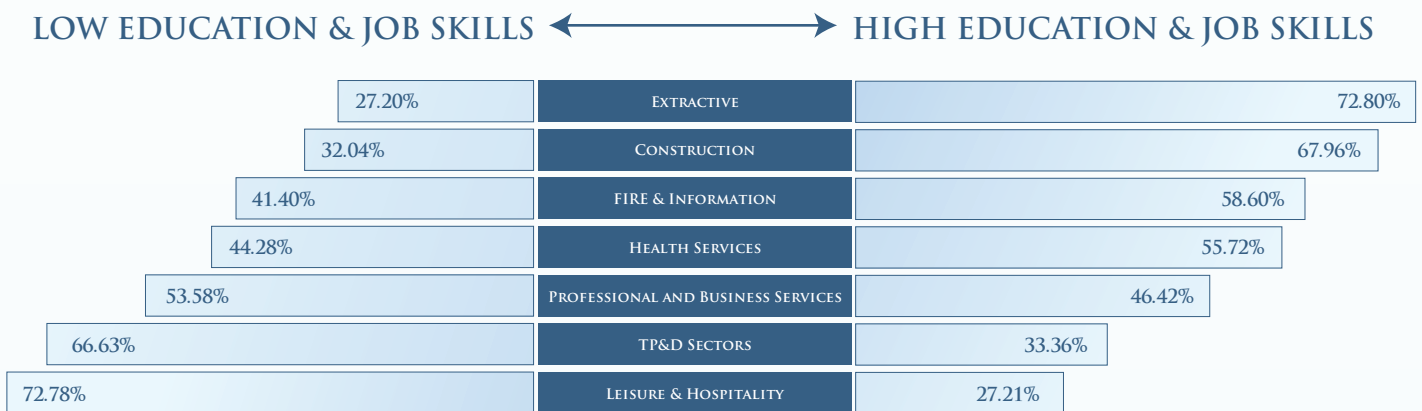
# EDUCATION AND JOB SKILL PROFILE BY SECTOR

## TRI-STATE REGIONAL WORKFORCE ALLIANCE

In the United States, a low-skill labor market presents a serious threat to economic viability, as industry leaders and policymakers struggle to balance the promotion of high-growth, high-wage industries with the advancement of low-skill, low-wage workers. This threat is particularly problematic in light of evidence that within 10 years 80 percent of jobs will require a highly qualified workforce with some form of postsecondary education along with certification, such as specialized skill training or professional development.

The analysis reveals that of all sectors in the Tri-State Region, transportation product and delivery sectors have the

least prepared workforce in terms of meeting the demands of future jobs that require highly qualified workforce. As shown in the figure below, two-thirds of the current workforce in these sectors fall within the low-skill, low-performance category (i.e., only less than a third of the workforce have more than high school education). This limitation presents a serious threat to the economic viability of the region. If an industry innovates, the region must invest in upgrading the job skills of its workforce to expected industry standards. Otherwise, the industry will be forced to relocate or evaporate despite its potential for innovation and growth.



“ ...A LOW-SKILL LABOR MARKET PRESENTS A SERIOUS THREAT TO ECONOMIC VIABILITY...”



## EDUCATION & SKILLS GAPS

### TRI-STATE REGIONAL WORKFORCE ALLIANCE

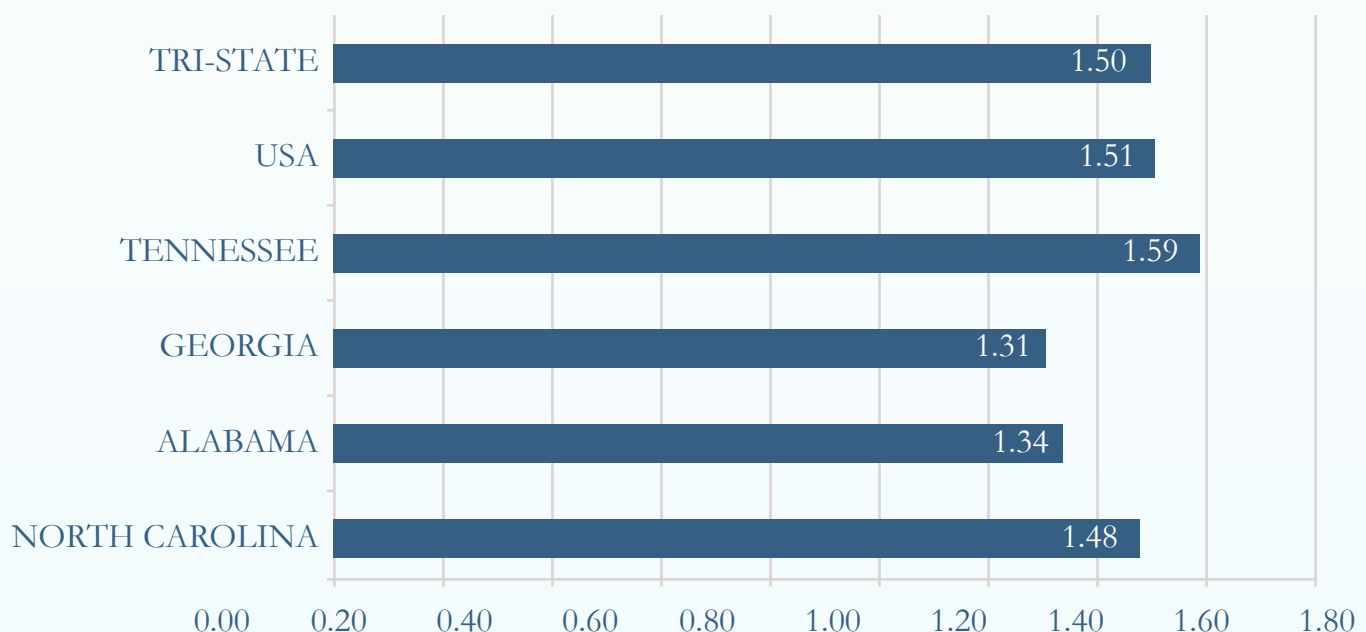
Two focus groups and a telephone survey were conducted to examine job skills and educational levels of the incumbent workforce and job skill and educational requirements of in-demand and future jobs. The data from these sources indicate that:

- Two of the greatest weaknesses of the region are unattractive jobs and a general lack of workforce-readiness, both of which lead to high turnover, high training costs, low productivity, low workforce participation rates, and inability to fill high-performance jobs.
- One in five businesses in the region report severe shortages of workers with high school education and some form of college credential.
- Even when workers meet educational requirements for jobs, approximately half of the businesses in the region report that those workers have serious skill deficiencies.
- Regardless of a worker's education level, the most severe skill deficiencies are dependability, reliability, initiative, critical thinking, science and technology, basic computer skills, problem solving, and scheduling and coordinating.
- Mid- and high-level positions are harder to fill than low-level positions.

- Given the difficulty of filling positions, three out of four businesses in the region opt to retrain incumbent workforce or recruit more experienced workers.
- To maintain competitiveness, half of the businesses in the region regularly train more than 90 percent of their own workforce by offering in-house training provided by industry associations or community/technical/vocational colleges.
- The vast majority of businesses in the region recognize the importance of using career awareness as a mechanism to de-stigmatize manufacturing jobs.
- Almost half of the businesses in the region endorse the use of career-readiness certification programs, such as WorkKeys, as a vehicle to ensure workforce-readiness.

Despite the skill gap between current jobs and the jobs of the future in the transportation product and delivery sectors, jobs requiring more than high school education are expected to grow 50 percent more in the region than jobs requiring only a high school education or less. As shown in the graph below, this trend is very much in line with the national trend, and the region as a whole is in a much better position to promote high-skill jobs than the states that comprise the region.

## PROJECTED HIGH-LOW EDUCATION & JOB SKILL GROWTH RATIO



# CAREER CLUSTERS

## TRI-STATE REGIONAL WORKFORCE ALLIANCE

Career clusters are increasingly relevant to regional economies because they represent opportunities for individuals looking to pursue lasting careers. Efforts should be aimed at matching education and job skill development to industry standards for identified regional clusters so that related businesses and career-minded individuals can thrive.

Based on 10-year job growth projections, eight major career clusters have been identified in the Tri-State Region:

(1) administrative, (2) healthcare, (3) STEM, (4) construction and extraction, (5) maintenance, (6) business and personal services, (7) production, and (8) transportation and material moving. Every cluster, with the exception of production, is expected to grow.

“EFFORTS SHOULD BE AIMED AT  
MATCHING EDUCATION AND JOB  
SKILL DEVELOPMENT TO  
INDUSTRY STANDARDS...”

**ADMINISTRATIVE.** Within this cluster, office and administrative support is expected to provide the largest number of jobs (approximately 11,000). These jobs will be in high demand, especially for the health, professional and business, and FIRE & information sectors. Typical jobs will be customer service representatives, office clerks, and book-keeping clerks. These occupations are low-skill, low-education positions.

Occupations in business and financial will be in demand for the professional and business and FIRE & information sectors (approximately 5,000 jobs). Typical jobs will be personal financial advisors, appraisers and assessors of real estate, and loan officers. These occupations require at least a bachelor's degree or postsecondary vocational award.

Finally, administrative careers in management will be in demand for the FIRE & information, construction, professional and business, and transportation sectors. Typical jobs will be chief executives and general and operations managers. These occupations require at least a bachelor's degree and related work experience.

**HEALTHCARE.** This cluster is expected to produce approximately 14,000 jobs. Of those, approximately 9,500 will be in the area of healthcare practitioners and technical, with the remaining jobs in healthcare support. The typical careers in this cluster will be registered nurses, licensed practical nurses (LPN) and licensed vocational nurses (LVN), and nursing aides. Registered nurses, LPNs, and LVNs require at least an associate's degree or postsecondary vocational award. These occupations also require extensive on-the-job training, making them high-skill, high-education occupations. Nursing aides also require postsecondary vocational awards but require a much smaller skill set.

**STEM.** This cluster is expected to produce approximately 2,600 jobs, with the most growth projected for the professional and business and FIRE & information sectors. This cluster is also expected to grow as transportation product and delivery sectors transform into advanced manufacturing, which will require more people trained in science, technology, engineering, and mathematics. The typical careers in this cluster will be computer systems analysts/programmers and engineers. These occupations require at least a bachelor's degree combined with a highly technical skill set in areas such as computer science, information systems, mathematics, and physical and biological sciences.

## CAREER CLUSTERS

### TRI-STATE REGIONAL WORKFORCE ALLIANCE

**CONSTRUCTION & EXTRACTION.** This cluster is expected to produce approximately 8,300 jobs. The overwhelming majority of these jobs are projected to be in the construction sector. The typical careers in this cluster will be carpenters and construction laborers. Carpenters typically learn their craft through a combination of vocational or technical education and extensive on-the-job training. Construction laborers are low-education, low-skill jobs that require some on-the-job training.

**MAINTENANCE.** This cluster is expected to produce approximately 3,200 jobs. These jobs are projected to be evenly distributed across all sectors. The typical careers in this cluster will be automotive service technicians and mechanics, bus and truck mechanics, and industrial machinery mechanics. Automotive service technicians and mechanics and bus and truck mechanics both require at least a postsecondary vocational award. While industrial machinery mechanics can learn their craft through on-the-job training, many employers now prefer at least a two-year postsecondary degree. All of these jobs require high skills and extensive on-the-job training.

**BUSINESS & PERSONAL SERVICES.** This cluster is expected to produce approximately 39,000 jobs. Of these, approximately 9,000 will be in leisure, especially in food preparation and serving related. Another 10,000 jobs will be in FIRE & information in sales and related. Finally, 5,600

jobs will be in the professional and business sector, particularly in the area of building and grounds cleaning and maintenance. The typical careers in this cluster will be food preparation and serving workers and janitors/cleaners. These occupations are low-education and low-skill jobs that require some or little on-the-job training.

**PRODUCTION.** Jobs and careers in this cluster are expected to decline significantly, with the largest decline in transportation product and delivery. Even if the industries innovate, they are expected to decline, as the vast majority of the jobs will be low-wage and low-skill. Individuals in this cluster possess transferrable skills and can be retrained to pursue careers in other clusters. The typical careers in this cluster include team assemblers, welders, and structural metal fabricators and fitters. Team assemblers are typically low-skill jobs that require a high school education or less. Unless they acquire the appropriate education and specialized skills, they will become permanently detached from the labor market. Of all career clusters, production workers are the most vulnerable incumbent workforce.

**TRANSPORTATION & MATERIAL MOVING.** This cluster is expected to produce approximately 3,000 jobs. The vast majority of these jobs will be in transportation product and delivery. The typical careers in this cluster will be truck drivers and laborers and material movers. These occupations are low-education, low-skill jobs that require some or moderate on-the-job training.

“OF ALL CAREER CLUSTERS,  
PRODUCTION WORKERS ARE THE  
MOST VULNERABLE  
INCUMBENT WORKFORCE.”

## ULTIMATE CONCLUSION:

AS BUSINESSES INNOVATE,  
THE REGION HAS A GREAT  
OPPORTUNITY TO TRANSFORM  
ITSELF AND BECOME MORE  
ECONOMICALLY COMPETITIVE  
ON A GLOBAL SCALE. OTHERWISE,  
BUSINESSES WILL RELOCATE  
OR EVAPORATE.

All things considered, the Tri-State Alliance is situated in an area that offers workforce development professionals, policymakers, and industry leaders a great opportunity to bolster the regional economy and make it more resilient to economic shocks. This report provides an array of information that can be used by a host of stakeholders to better understand the economic and workforce conditions in the region and to work closely with employers and job seekers. Taking the following steps to build on a solid foundation will help ensure the Alliance will meet its objectives and ultimately develop strategies that meet employers' needs and create opportunities for job seekers.

### **Become more data-driven and performance-based.**

Moving toward an innovative and flexible data-driven system to measure performance will give the Tri-State region a comparative advantage in the global knowledge-based economy, where high-quality education and job skills are critical for economic sustainability and growth. Being data-driven and performance-based provides an opportunity to make more informed decisions and expand the menu of effective services being offered to employees. It also allows, through timelier and more easily available program and labor market data, for better use of resources, strengthening of coordination and cooperation, and improvement of responsiveness and service delivery across partners within the region. Supporting this type of system will strengthen the existing workforce and education system and provide a sharper focus on quality jobs and career opportunities for all.

### **Expand partnerships to reflect the economic and workforce geography of the region.**

Bringing together major stakeholders beyond the Tri-State service area, especially those in industry, education, and government, will result in resource-rich partnerships that will provide lasting benefits to all partners. Higher education and advanced training are vital to success as the economy evolves, and failing to build strong partnerships can result in an economic climate that will preclude access to career mobility for workers and move them off the pathway to success.

### **Align education and training programs.**

Integrating industry expectations with education and training programs is critical for closing the skill gap identified for workers with four-year and professional/graduate degrees. Linking education with the knowledge and skills needed to be successful in the workplace will help the region better adapt to changing demands in education and skills.

# CONCLUSIONS AND RECOMMENDATIONS

## TRI-STATE REGIONAL WORKFORCE ALLIANCE

### **Match industry standards with workforce preparedness as industry innovates.**

As the economy evolves and industry innovates, the region must invest in upgrading the job skills of its workforce—especially the least educated and skilled—to meet new industry standards. Given the nature of most firms in emerging sectors (i.e., high-tech, advanced manufacturing), a high-performance workforce will grow in importance. If the job skills of the incumbent workforce are not upgraded to account for new industry standards, innovating industry will be faced with three options: (1) relocating, (2) recruiting workforce from outside the region, or (3) closing shop, despite its best efforts for innovation and growth.

### **Emphasize career-readiness certification to promote the region as a work-ready business environment.**

Currently, almost half of all businesses in the region endorse the use of career-readiness certification programs, such as WorkKeys, to demonstrate suitability for work through a uniform measure of key skills. By increasing awareness of and promoting adoption of WorkKeys, the region will be in an even better position to attract businesses to the area. Building on existing infrastructure, such as the online database of WorkKeys Assessment completers ([www.certificatekey.com](http://www.certificatekey.com)), would give the region an edge by making hiring decisions easier, quicker, more cost-effective, and, ultimately, more satisfying for both employers and job seekers.

### **Highlight transferrable skills to promote the emergence of new jobs.**

Identifying, acquiring, and mastering skills that are applicable regardless of where one works are increasingly important in an economy in which careers and job requirements change frequently. Having few transferrable skills puts members of the workforce at risk of being locked into occupational clusters that have low pay or are in decline. As such, capitalizing on transferrable skills not only makes people more marketable but creates a workforce that has strong appeal to employers who want to quickly maximize productivity after making new hires.

### **Promote lifelong learning (LLL) for sustainable economic growth.**

The realities of the global economy make LLL an even more critical requirement for workers, as job skills are continually updated and expanded. By promoting LLL, the region will create an environment in which acquiring postsecondary education and training to upgrade skills and knowledge is the norm. Endorsing and encouraging LLL can result in a more vibrant community that is better able to respond to changes in the economy and prosper. This strategy would improve workforce morale and encourage employers to strengthen existing assets in the region.

### **Promote best practices in utilizing and retaining the incumbent workforce and recruiting workforce outside the region.**

By retaining and upgrading available workforce, the region can minimize its loss of talent to other parts of the country, resulting in a better-trained and better-educated incumbent workforce. This strategy, in turn, will help the region focus on recruitment outside the Chattanooga MSA and Tri-State Region to meet future workforce demands. If the Alliance can highlight and improve its existing assets and recruit businesses, the region will be home to an industry-occupation mix that is more resilient to economic shocks.

### **Maintain and promote a modern transportation infrastructure to capitalize on the economic identity of the region.**

Given the high concentration of transportation product and delivery industry in the region, it is vital to maintain, upgrade, and expand the region's transportation infrastructure (highways and interstates, rail networks, airports, and navigable waterways) to retain existing advantages and promote future economic development.

## ACKNOWLEDGEMENTS

### TRI-STATE REGIONAL WORKFORCE ALLIANCE

---

This report was produced by the National Strategic Planning & Analysis Research Center (nSPARC) through a grant funded by the Southeast Tennessee Development District.

The Southeast Tennessee Development District would like to thank a number of stakeholders that provided financial support for the grant:

- U.S. Economic Development Administration
- Appalachian Regional Commission—National Office and Alabama, Georgia, and Tennessee State Allocations
- State of Tennessee, Department of Labor & Workforce Development
- City of Chattanooga, Tennessee
- Hamilton County, Tennessee

nSPARC would also like to extend its gratitude to everyone who participated in the two focus groups and telephone survey. These individuals provided critical information on the quality and quantity of the workforce in the region.

Finally, special thanks go to the two project managers from nSPARC, Tia Merrell and Josh Turner, who spearheaded the entire effort.