

Senate Commerce Committee
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Presented By Keith Lawing, President and CEO
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Economic Drivers for Labor Demand and Supply In South Central Kansas

Good morning committee members. I am Keith Lawing, President and CEO of the Workforce Alliance of South Central Kansas, the Local Workforce Investment Board serving six counties in the Wichita region.

Since the downturn of the economy in 2008 and 2009, the recovery for South Central Kansas has been moving at a slow pace. The attached chart summarizes job growth in peer regions from surrounding states. As you can see, the Wichita area is significantly behind all these regions and the nation overall in job growth the past five years.

Aggressive collaboration and strategic innovation are quickly becoming the cornerstones of regional workforce and economic development strategies focusing on job growth along with the demand and supply of labor in South Central Kansas.

As most are well aware, the economy in this region of Kansas is driven by aviation manufacturing. Wichita is the Air Capital of the World, birthplace and home to the most iconic names in aviation, and where 18 percent of the regional workforce is in manufacturing. Wichita was recently ranked Number 3 in the US in the concentration of 'advanced industry' jobs by the Brookings study published earlier this month.

Currently there is both good and bad news in aviation. General aviation is still struggling. Recently, we have seen the merger of two large industry leaders, Cessna and Beechcraft. And in January, Learjet announced lay-offs which affected 1,200 people.

And, as has been well documented, Boeing ended its operations in Wichita last year adding to the number of jobs lost in the region.

We know that many of these jobs will not be returning. Companies are producing more with fewer people often due to increases in advanced technology. Jobs that once did not require post-secondary education, now require at minimum, a certification or industry recognized credential.

Plus, the manufacturing workforce today is aging. Characterized as the 'Silver Tsunami' in a recent report from the Wichita Area Technical College (WATC), locally more than 24 percent of all manufacturing workers are over age 55. Adding in the next age group demographic of workers does not change this outlook, as more than 53 percent of the local manufacturing workforce is over age 45.

This is a frightening statistic for the hundreds of manufacturing companies in South Central Kansas.

The silver lining to these grey clouds is that the commercial aviation market is strong, and Spirit AeroSystems and many of the smaller suppliers and machine shops are hiring and seeking skilled workers.

A much higher and deliberate level of collaboration is taking hold as cluster development and sector strategies are being implemented in the region.

Through a partnership with the Workforce Alliance, Spirit and WATC, we are collaborating to recruit, screen and train job seekers, and over the past four years have placed over 750 people in jobs at Spirit through this coordinated effort.

Another partnership is the Regional Manufacturing Council on Technical Education (RMCTE). It is an emerging industry partnership to focus on the manufacturing sector in the region. This employer led collaborative was initiated in 2013 through discussions between the Wichita Manufacturer's Association and Workforce Alliance and has grown to include over 55 participants representing more than 30 companies in the Wichita region. The RMCTE's primary purpose is to promote the manufacturing industry and help grow the future workforce.

Strategic innovation is the other primary area of focus in regional workforce and economic development planning.

Wichita State University (WSU) is now actively leading the way through its Innovation Campus Strategy that is being designed to help develop and build targeted employment clusters and skill sets in the labor force to lead to economic diversification and innovation in the region.

As part of this transformation, WSU is leading the Blueprint for Regional Economic Growth (BREG) to study the regional employment clusters in South Central Kansas. Other partners for this study include Regional Economic Area Partnership (REAP), The City of Wichita, the Wichita Metro Chamber of Commerce, the Greater Wichita Economic Development Coalition and the Wichita Downtown Development Corporation.

The clusters that were identified through this study include: Aerospace, Oil and Gas Production and Transportation, Machinery and Metal Working, Agriculture Inputs and Processing, Transportation and Logistics, Data Services and Electronic Components, and Advanced Materials.

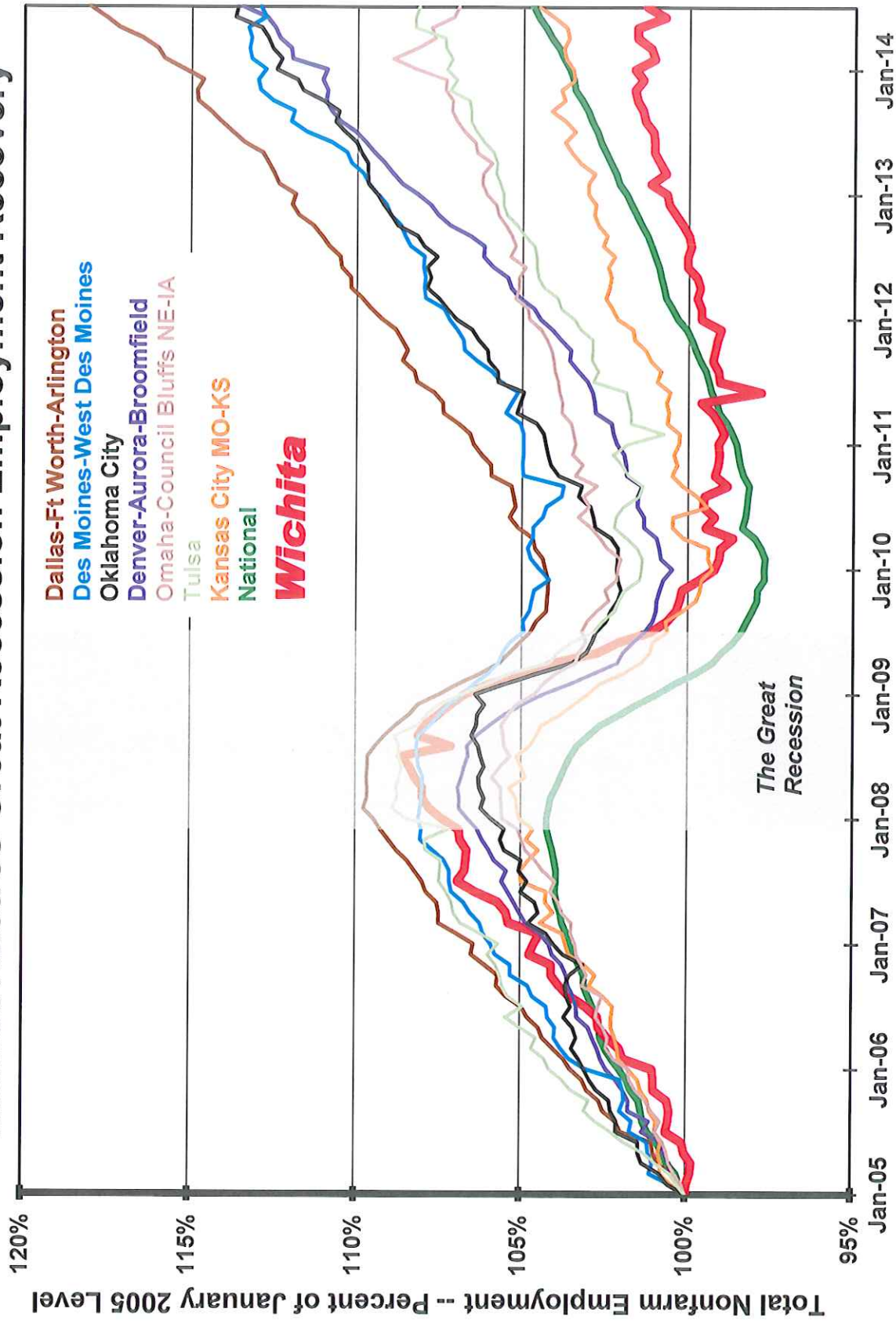
The Workforce Alliance is a key partner in these regional collaboratives, and the timing could not be better as we plan for implementation of the Workforce Innovation and Opportunity Act.

The members of the Local Workforce Board are very committed to leveraging resources and aligning services with community partners to meet the need of business and industry in the region.

By working directly with industry and community partners, the Workforce Alliance will be able to make meaningful investments with the employment and training resources we manage to give our area employers a competitive advantage in the global economy, support emerging clusters of employment to help diversify the regional economy, and match job seekers and students with the skills they need to find high paying jobs and good careers in South Central Kansas.

Thank you for your time and consideration. I am happy to answer any questions you have for me.

Midwest Metros Great Recession Employment Recovery



Source: Federal Bureau of Labor Statistics