Greater Peninsula
State of the Workforce Report
2005

Prepared by
Corporation for a Skilled Workforce

For
Greater Peninsula Area Workforce Investment Board

Table of Contents

Why This Report?

The Greater Peninsula Area Workforce Investment Board is the body charged with overseeing workforce investments in the region. Its mission is an evolving one. Currently, it is in the process of changing its focus from overseeing funding streams to focusing on the broad, strategic issues that can help the region continue and improve its economic vitality by developing and maintaining a strong workforce. The WIB is keenly aware that in today's world of intense global competition and ever increasing skills needed to meet the challenges of new technologies and new ways of doing business, there is a need to look strategically at all the investments and factors that contribute to a vibrant economy. Workforce development, economic development, and education must be looked at as a combined set that can determine the future of an area.

The WIB is in the process of creating a strategic focus and vision for the region. A major step on that journey is to complete a data-driven analysis of the underlying factors that make this area economically rich and what will it take to keep it that way. Competition comes from many places. We cannot be complacent and say things are good today so we can expect them to stay that way. We need to identify the places where we can improve our competitive advantage and make the Greater Peninsula Region as productive and responsive to new challenges as possible. In this way, we will be prepared for the future and ready to compete.

This State of the Workforce Report will help the WIB make sound decisions about where to put its resources – both monetary and non-monetary (how it uses the energy of the Board to influence change) – and to be able to raise community awareness about things that need to be done and how to do them so that all can benefit. Workforce preparedness has become the leading driver in economic development decisions. The two are integrally linked.

In the development of this report, two major types of storylines emerged. One set of storylines can be described as general economic issues that face the region e.g. traffic congestion. Another set of storylines directly relate to workforce development issues. The first are referenced in the report but are expected to be referred to other entities for action. The WIB selected areas of emphasis from the second set of issues, based on the importance of the issue and the feasibility of the board making an impact. The data and the process of examining the data to formulate action plans are the culmination of this step in the strategic development of the WIB.

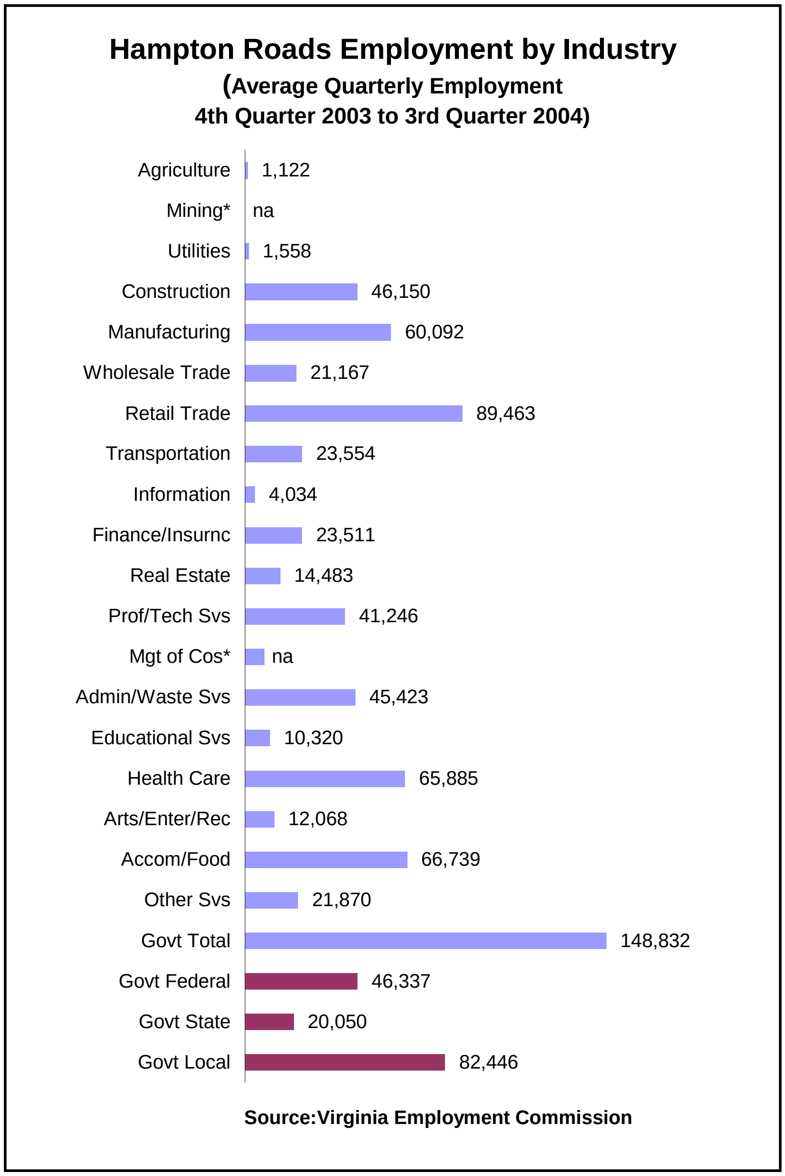
This report captures the various kinds of issues, discusses their importance and impact for the region and provides a roadmap for how the WIB can work within itself and with external stakeholders to continue the journey toward a fully integrated and responsive workforce investment system that is well-known, well-respected, and delivers results. The information in this report is not only useful for the WIB but can be used by any number of stakeholder groups to help them examine workforce issues from their perspective. Employers, particularly, should benefit from the finding contained in this report.

Section 1: Policy Issues

Industrial Distribution

Greater Peninsula is part of a larger market, Hampton Roads. While there are some specific issues that we can look at related to the Peninsula, for many purposes we cannot separate the two and should not try. The economic conditions in the Greater Peninsula area are driven by the general conditions in the Hampton Roads region. Similarly, while the Greater Peninsula is diverse within itself – the upper Peninsula being different from the lower Peninsula – the region is connected in terms of economic vitality.

One overarching phenomenon that drives the whole Hampton Roads region is the heavy dependence on the defense sector for its economic stability and growth. The federal government, particularly the military, is by far the largest regional employer (employing nearly 50,000 people). Hampton Roads is more dependent on the military than any other MSA in the nation. Such a concentration has both strengths and weaknesses. In recent years, when defense spending has been strong and steady, the region has prospered. However, there is a danger that, if defense spending decreases, the region could suffer. This is true of any area that is heavily dependent on one sector of the economy.



LARGEST PUBLIC SECTOR EMPLOYERS IN HAMPTON ROADS			
Company	Primary Product or Service	Main Local Location	Employees
US Federal Government	Government and military	Regional	50,000
Virginia Beach City Public Schools	Elementary & secondary schools	Virginia Beach	9,620
Norfolk Naval Shipyard	Shipbuilding and repair	Portsmouth	7,000
Norfolk City Public Schools	Elementary & secondary schools	Norfolk	5,284
Chesapeake City Public Schools	Elementary & secondary schools	Chesapeake	5,166
Virginia Beach, City of	Municipal government	Virginia Beach	5,049
Portsmouth Naval Hospital	Hospital, health care services	Portsmouth	4,770
Naval Medical Center Portsmouth	Hospital, health care services	Portsmouth	4,028
Newport News City Public Schools	Elementary & secondary schools	Newport News	4,700
College of William & Mary	University	Williamsburg	4,693
Norfolk, City of	Municipal government	Norfolk	3,787
United States Postal Service	Postal service	Regional	3,500
Newport News, City of	Municipal government	Newport News	3,036
Chesapeake, City of	Municipal government	Chesapeake	3,033
Old Dominion University	University	Norfolk	2,956
Portsmouth City Public Schools	Elementary & secondary schools	Portsmouth	2,746
Portsmouth, City of	Municipal government	Portsmouth	2,100
NASA Langley Research Center	Aerospace research	Hampton	2,304
Hampton, City of	Municipal government	Hampton	1,933
US Fifth District Coast Guard Command	Administration of East Coast operations	Portsmouth	1,900
York County Public Schools	Elementary & secondary schools	Yorktown	1,661
Williamsburg/James City County Public Schools	Elementary & secondary schools	Williamsburg	1,225

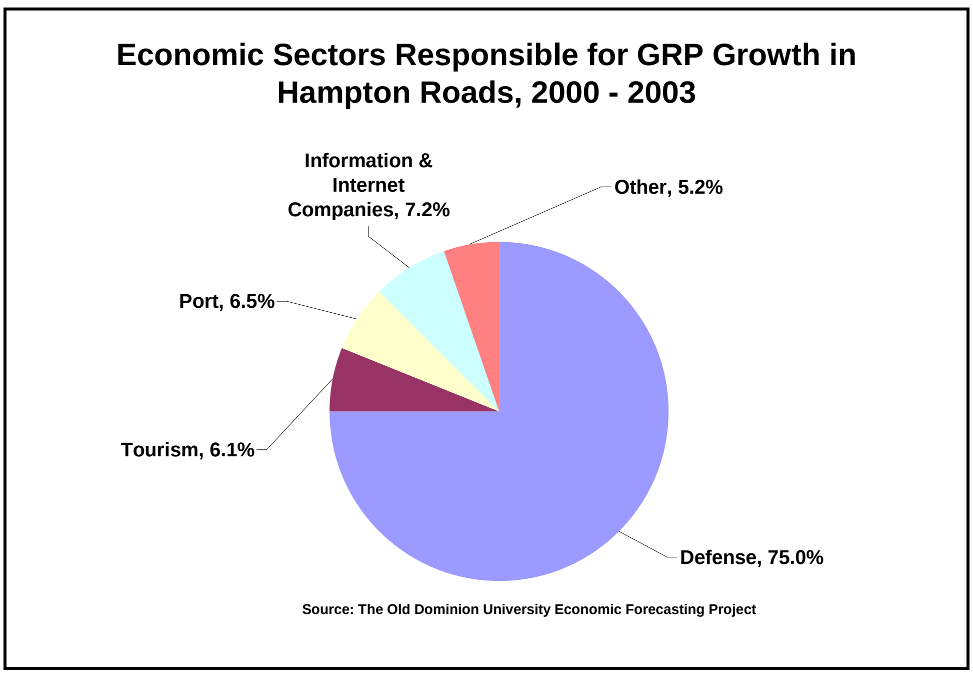
	ARMY BASES IN HAMPTON ROADS			LANGLEY AIR FORCE BASE	COAST GUARD FACILITIES	
	Fort Eustis (Newport News)	Fort Story (Virginia Beach)	Fort Monroe (Hampton)	-	Integrated Support Command (Portsmouth)	Training Center Yorktown
Active-Duty Personnel	4,516	987	1,154	8,861	165	626
Civilian Personnel	2,407	146	2,157	2,818	111	227
Reservists	-	-	-	135	22	39
Total Personnel[1]	6,923	1,133	3,311	11,814	298	892
Military Family Members[2]	9,814	1,296	2,482	12,813	NA	NA
Acres	8,228	1,451	570	3,167	187	154
Function	Train military transporters for Army and National Guard.	Train military transporters for Army and National Guard.	A joint force command and control installation that hosts many Department of Defense commands and activities.	Host to the Air Force's 1st Fighter Wing, which maintains combat capability, and the Air Combat Command, which acts as the primary provider of air combat forces in the warfighting commands.	Support for six cutters and other operations.	Training center.

1 Does not include students, USA and NGTng or contractual workers
2 Living on-and off-post
Source: Individual bases and facilities

NAVAL BASES IN HAMPTON ROADS					
	Naval Amphibious Base Little Creek (Norfolk)	Naval Air Station Oceana (Virginia Beach)	Naval Air Station Oceana Dam Neck Annex (Virginia Beach)	Naval Station Norfolk	Naval Weapons Station Yorktown
Active-Duty Personnel	7,500	9,799	3,661	60,143	1,547
Civilian Personnel	1,600	2,511	1,196	9,886	1,467
Reservists	300	NA	NA	NA	393
Total Personnel	9,400	12,310	4,857	NA	3,407
Military Family Members[1]	NA	7690*	2465*	NA	3551*
Acres	12,003	5,916	1,100	4,300	11,500
Function	Provide support and services to the East Coast amphibious forces.	Provide support for the Atlantic and Pacific Fleet.	Provide training for the Fleet.	Provide home to 71 sips and 16 air squadrons.	Provide support for US Operating Forces.

1 Living on-base only
Source: Individual bases

Recent defense expenditures have certainly benefited the region. Defense-related sectors contributed more than 75% to the growth of the Hampton Road's Gross Regional Product between 2000 and 2003[1].



[1] Source: Old Dominion University Economic Forecasting Project, The State of the Region, Hampton Roads 2004

Short-term prospects are favorable, with the Hampton Roads region overall coming out well in the recent BRAC announcements (although Fort Monroe as a potential closing will impact the Greater Peninsula area).

However, this dependence means that a decline in defense expenditure in the region would have negative effects that would be felt throughout the region's economy. Military deployment can also results in negative impact on regional businesses, neighborhoods & political jurisdictions. A Military Study conducted in 2004 found this particularly evident during the Gulf War in the early 1990s – with unemployment increases, wage decreases (or at least slower growth) and a slow down of sales.

"Changing federal budget priorities reach beyond the military. At NASA's Langley Research Center in Hampton, which specializes in aeronautics, as many as 1,000 jobs could be cut as the federal government shifts money from aeronautics to space exploration."
~Fate of Hampton Roads' Economy Lies in Military Budget, Virginia Business, May 2005)

An April 2004 study conducted by the Hampton Roads Planning District Commission (HRPDC) indicated that the Peninsula's economy has been growing at a faster rate than South Hampton Roads (SHR) since 1970. This trend is attributed to the Peninsula's lower reliance on the volatile defense industry compared to SHR, and faster growing, more competitive industry mix.

"The military's influence is particularly high in South Hampton Roads, where Whaley found it accounts for nearly 29 percent of the gross regional product. The corresponding figure on the Peninsula is 17.1 percent, he said."
~The next battle: Surviving BRAC, The Virginia-Pilot, 14 March 2005

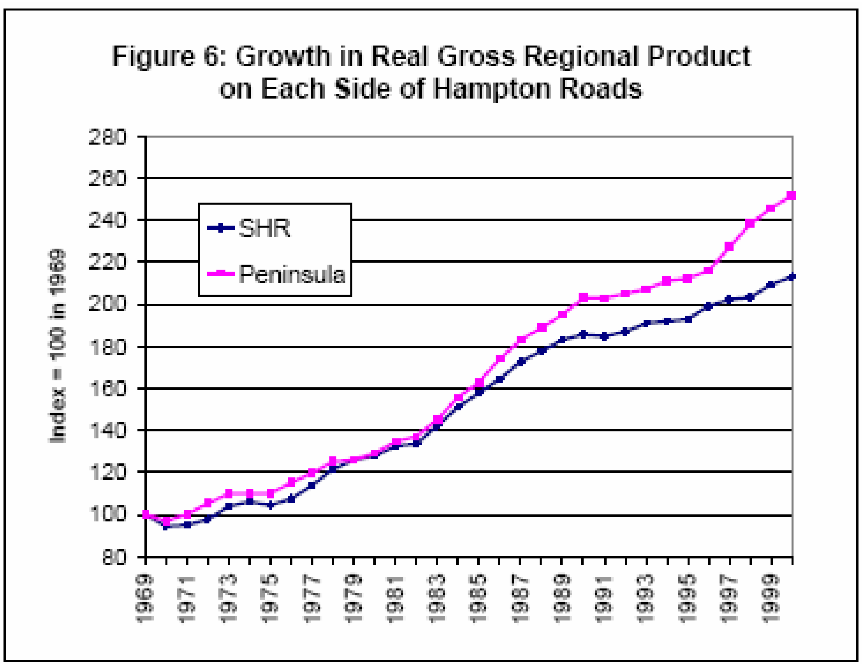


Figure 6: Growth in Real Gross Regional Product on Each Side of Hampton Roads

Source: The Hampton Roads Economy, April 2004, Hampton Roads Planning District Commission

Throughout the region, economic and industrial diversity is increasing, to the region's benefit.

"Compared to 30 years ago, Hampton Roads' economy is not nearly as dependant on the military, says Art Collins, director of the area planning district commission."
~Virginia Business, May 2005

"The area's economy has outperformed the country's for the past four years, growing by 5.2 percent last year. Tourism and the port's growth provide a buffer to military cutbacks. Despite rising gas prices, tourism remains healthy…Cities throughout the region are investing in development projects, including new convention centers in Hampton and Virginia Beach. Large commercial projects include Trader Publishing Co.'s plans to invest $51 million in a high-rise division headquarters expansion in downtown Norfolk, which will create 600 new jobs."
~Fate of Hampton Roads' Economy Lies in Military Budget, Virginia Business, May 2005

LARGEST PRIVATE NON-RETAIL SECTOR EMPLOYERS IN HAMPTON ROADS			
Company	Primary Product or Service	Main Local Location	Employees
Northrop Grumman	Shipbuilding and repair	Newport News	18,000
Sentara Healthcare	Hospital/health care network, health insurance	Norfolk	15,000
Riverside Health System	Hospital/health care network, health insurance	Newport News	6,929
Riverside Regional Medical Center	Health care network	Newport News	6,929
Anheuser-Busch Inc.	Beer, hospitality and real estate	Williamsburg	6,480
Bon Secours Hampton Roads Health System	Hospital, health care systems	Suffolk	4,000
Smithfield Foods Inc.	Processed meat products, pork	Smithfield	3,223
Colonial Williamsburg Foundation	Museums/cultural exhibits	Williamsburg	3,200
Bank of America	Banking & credit card service center	Norfolk	3,000
Chesapeake General Hospital	Hospital, health care services	Chesapeake	2,500
Ford Motor Co.	Motor vehicle manufacturing & assembly	Norfolk	2,500
FHC Health Systems/Value Options Inc.	Health care provider support, health insurance	Norfolk	2,336
AMSEC LLC (American Systems Engineering Corp.)	Engineering & computer services	Virginia Beach	2,300
Children's Hospital of the King's Daughter	Hospital, health care services	Norfolk	2,286
Gwaltney of Smithfield Inc.	Meat processor	Smithfield	2,200
Cox Communications Inc.	Telecommunications; cable call center	Chesapeake	2,000
Manpower Inc.	Staffing agency	Virginia Beach	1,775
Canon Virginia Inc.	Printers, toners, cartridges	Newport News	1,600
West Telemarketing Corp.	Inbound telemarketing	Hampton	1,500
Ferguson Enterprises Inc.	Logistics, Plumbing supplies	Newport News	1,300
Hampton University	University	Hampton	1,000+

Source: Hampton Roads Economic Development Alliance, the Peninsula Alliance for Economic Development and the Virginia Employment Commission (Note: Greater Peninsula employers in red)

There is great potential in the Hampton Roads retail industry: Hampton Roads is the largest retail market between Washington, D.C., and Atlanta, with over 1.6 million people living in the area. Its sales were projected to grow 4.2% in 2004, according to the

Hampton Roads Planning District Commission – about the same as 2003's 4.3%. Retail trade is also the Peninsula's largest non-public industry sector, employing 13.0% of 2004's total public and private industry employment.

LARGEST RETAIL EMPLOYERS IN HAMPTON ROADS		
Retailer	Type of Store	Employees
Wal-Mart	Discount	5,270
Farm Fresh	Grocery	4,297
Food Lion	Grocery	2,044
Target Corporation	Retail	1,613
Wendy's	Restaurant	1,500
7-Eleven	Convenience	1,398
Hall Automotive	Auto sales	1,250
Dillard's	Department	1,025

Source: Hampton Roads Economic Development Alliance
Note: Includes only employers with 1,000 or more employees in Hampton Roads.

The next largest non-public industry sector in Greater Peninsula is manufacturing. Of all employment in the Peninsula, 12.9% is in manufacturing, compared to only 8.4% for Hampton Roads. The importance of manufacturing to its economy sets Greater Peninsula apart from the entire Hampton Roads region. It is unusual in this country to have an area with such a heavy reliance on manufacturing that is so stable. Most other manufacturing based local economies are suffering severe retrenchment with declining employment. It appears that other than a few closures about two years ago (these were significant and are not to be minimized but are nowhere near as severe as circumstances in other areas of the county) the local manufacturing economy has been growing and all indications are that it is expected to continue to grow.

The charts below list projected expansions and new operations announced in 2003 for the entire Hampton Roads area, to take effect in 2004. Those taking place in Greater Peninsula are in red. In the Greater Peninsula region, there were a total of 558 projected new jobs created and over $273 million announced through expansion of existing operations. Also, there were a total of 70 projected new jobs created and $8 million of projected investments through the creation of new businesses and operations.

EXPANSIONS				
Company	Main Local Location	Primary Product or Service	Jobs[1]	Investment[2]
AMERIGROUP Corp.	Virginia Beach	HQ, managed health care provider	858	56.00
Marine Hydraulics International Inc.	Norfolk	Ship repair	400	14.00
West Corp.	Hampton	Call center, in-bound sales	300	0.00
Hudd Distribution Services Inc.[3]	Chesapeake	Distribution center, consumer goods	260	14.00
AMSEC LLC	Virginia Beach	IT & engineering services, defense contractor	250	6.50

EXPANSIONS				
Company	Main Local Location	Primary Product or Service	Jobs[1]	Investment[2]
STIHL Inc.[3]	Virginia Beach	U.S HQ, handheld power tools	200	60.80
LifeNet	Virginia Beach	HQ, tissue and organ bank	197	39.35
Cendant Corp. Car Rental Group	Virginia Beach	Processing center, car rental	187	1.60
Nash Finch	Norfolk	Food products distributor for military	155	4.70
Liebherr Mining Equipment Co.[3]	Newport News	Mining trucks and equipment	134	4.00
Portfolio Recovery Associates	Norfolk	Call center, consumer debt collection	125	2.25
Siemens VDO Automotive[3]	Newport News	Fuel injectors	107	47.25
Rose & Womble Realty Co.	Suffolk	Division office, real estate development	80	1.50
Bay Bridge Enterprises	Chesapeake	Ship dismantling	60	0.00
Cox Communications inc.	Chesapeake	Cable television and internet provider	60	0.80
Chesapeake Hardwood Products Inc.	Chesapeake	Hard plywood, wall paneling and flooring	50	4.00
Jensen Activewear Inc.	Portsmouth	Distribution center, imported apparel	50	1.37
Wright's Engineering/M&S Maine	Portsmouth	Ship repair and engineering support	50	2.00
AMADAS Industries Inc.	Suffolk	Agricultural equipment	50	0.30
Lockheed Martin Global Vision Integration Center	Suffolk	Computer-based modeling, simulation & integration services	50	30.00
AMSEC LLC	Virginia Beach	Warehouse, defense contractor	50	1.50
CMA-CGM America. Inc.[3]	Virginia Beach	Container shipping services	50	0.25
AmeriComm Inc.	Chesapeake	HQ, direct marketing services	40	3.50
Wythe Will Distributing Inc.	James City County	Distribution center, candy and specialty foods	40	5.50
WR Systems Ltd.	Norfolk	Systems engineering, defense econtractor	39	1.00
Electric Motor & Contracting Co.	Chesapeake	Electric motor rebuilding and repair services	25	3.00
United Property Associates	Virginia Beach	HQ, property management	21	6.20
Langley Federal Credit Union	Newport News	HQ, federal credit union	20	3.13
Blackhawk Industries	Norfolk	HQ, tactical gear for military and law enforcement	20	0.00
Spectrum Communications	Hampton	HQ, Secure computer systems, defense contractor	15	0.00
Luna Hampton Roads	Hampton	Non-destructive evaluation instruments	12	0.40
DD Jones Transfer & Warehousing	Suffolk	Logistics services	10	1.26
Southeastern Freight Lines	Portsmouth	Warehouse, trucking services	5	2.00
TRINDCO	Suffolk	HQ, solid countertop surfacing materials	5	1.50
Main Industries	Hampton	Blasting and coating services, Navy contractor	0	1.00
International Paper Fine Paper Division	Isle of Wight County	Paper mill	0	11.20
Anheuser-Busch Inc.	James City County	Beer brewery	0	200.00

EXPANSIONS				
Company	Main Local Location	Primary Product or Service	Jobs[1]	Investment[2]
Coresix Precision Glass Inc.	James City County	Precision glass components	0	2.30
Haynes Furniture Co.	James City County	Regional warehouse and distribution center, furniture	0	15.00
Automation Precision Technology, LLC	Norfolk	IT and engineering services, defense contractor	0	3.50
CDI Engineering Solutions	Portsmouth	Naval architecture, engineering, design & drafting services	0	2.00
Chesapeake Drywall & Acoustics	Portsmouth	Specialty contractor, interior acoustics	0	1.20
Dow Construction Inc.	Portsmouth	Specialty carpentry contractor	0	1.20
Premier Copper & Brass Atlantic Inc.	Portsmouth	Copper pipe for Navy ships	0	2.00
Woolpert LLP	Portsmouth	Regional HQ, engineering and architectural services	0	3.00
Kraft Foods inc.	Suffolk	Processed nuts	0	16.00
QVC Inc.	Suffolk	Distribution center	0	2.50
Great Atlantic Management Co.	Virginia Beach	HQ, property management	0	4.85

NEW OPERATIONS				
Company	Main Local Location	Primary Product or Service	Jobs[1]	Investment[2]
National Institute of Aerospace	Hampton	Aerospace research	60	7.50
FLEXA Furtniture Inc. USA	Suffolk	U.S. HQ children's furniture, distribution center	50	1.00
Lockheed Martin	Suffolk	Defense contractor, computer simulation center	50	30.00
Northwestern Mutual life Insurance Co.	Virginia Beach	Regional office, life insurance	28	0.25
Sams Co.	Norfolk	Tile and flooring	20	1.35
A&E Supply Co.	Virginia Beach	Printing, reproduction and graphics	19	0.15
84 Lumber Co.	Suffolk	Distribution center, lumber	15	2.50
Applied Research	Virginia Beach	Research, defense contractor	12	0.10
Noell Crane & Services Inc.[3]	Portsmouth	Crane service and distribution	11	0.68
Virginia Mast LLC[3]	Gloucester County	Sailing and motor craft, distribution and wholesale	10	0.50
Laufen Ceramic Tile[3]	Suffolk	Distribution and import center, ceramic tile products	6	1.00

Source: Virginia Economic Development Partnership
1 Projected employment at time of announcement
2 Projected investment (in millions) at time of announcement
3 Has a foreign affiliation
Note: List includes new operations announced in 2003 with projected employment of 10 or more people or projected investment of $1 million or more. It excludes hotels and lodges

As is alluded to in the preceding "largest employer" charts, large employers are important to the region's economic well-being. Firms employing 100 or more individuals make up 2.9% of all of Greater Peninsula's employers, compared to 2.5% across the State of Virginia.

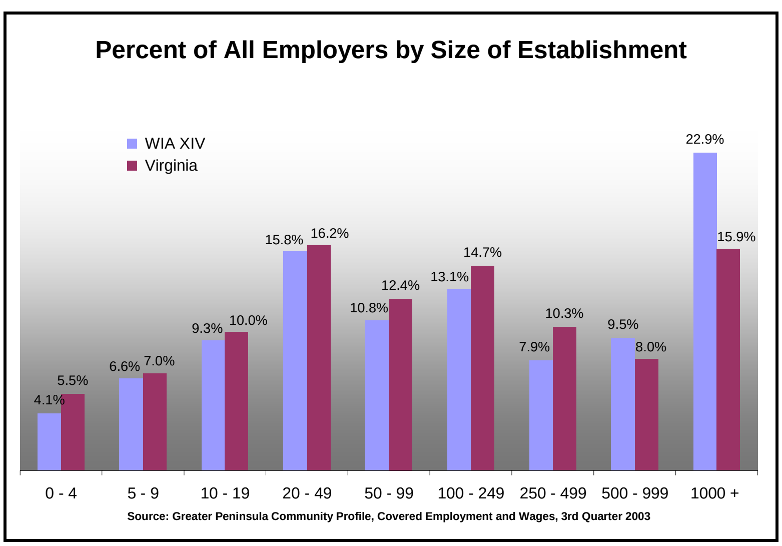
While this doesn't seem particularly dramatic, the difference is more prominent in the percentage of all employees working at these large companies. In Greater Peninsula, 23% of all employees work for companies employing at least 1000 people, compared to just 16% in Virginia as a whole.

Reliance on a few large employers is generally a sign of potential instability for a region, since if a single employer relocates or closes, significant job losses will result. However, the Greater Peninsula's largest employers (including government and government-related employers) appear to be unusually stable, and this is not as likely to be a concern for the Greater Peninsula region as it would in another region.

EMPLOYMENT BY FIRM SIZE

Number of Employees	Greater Peninsula	Greater Peninsula	Virginia	Virginia
0 – 4	4,794	46.8%	107,195	54.3%
5 – 9	2,162	21.1%	35,763	18.1%
10 – 19	1,521	14.9%	25,141	12.7%
20 – 49	1,122	11.0%	18,074	9.2%
50 – 99	347	3.4%	6,136	3.1%
100 – 249	193	1.9%	3,388	1.7%
250 – 499	48	0.5%	1,029	0.5%
500 – 999	31	0.3%	409	0.2%
1000 +	19	0.2%	229	0.1%

Source: Greater Peninsula Community Profile, Covered Employment and Wages, 3rd Quarter 2003



Population Demographics

The Greater Peninsula area is growing in population. After greater than state and national growth from 1980-1990, the 1990-2000 period saw the Peninsula grow at the same rate as the state and nation, but faster than its comparison regions of South Hampton Roads and Hampton Roads. The latest population estimates project that recent growth has been slower in Greater Peninsula than in the surrounding areas, but as these numbers are merely estimates they may not accurately, or fully, reflect the current population growth trends.

POPULATION GROWTH (PERCENT CHANGE)			
Locality	1980 to 1990	1990 to 2000	2000 to 2003*
Peninsula	19%	13%	2.8%
South Hampton Roads	20%	7%	4.2%
Hampton Roads Total	20%	9%	3.7%
Virginia	16%	14%	4.3%
United States	10%	13%	3.3%

*Estimates for July 1, 2003
Source: US Census Bureau

The age profile for the region reveals a generally older population than the comparison areas, state and nation. The percentages of the emerging (15 to 24 years) and entry-level (25 to 34 years) workforce are lower, while the percentage of older people (55 years and over) is higher. The average age in Greater Peninsula is 38.2 – nearly 5 years older than Hampton Roads, and nearly three years older than the state and national averages.

The region appears to have become a desired retirement location for the well-to-do elderly population. There is a move by aging retirees to James City County and Williamsburg where the region's historical attractions are located. This trend is also noticeable in Virginia Beach. This influx of elderly residents presents both challenges and opportunities to the region. For instance, health care needs of the aging population could stress local capacity to deliver health care services. On the other hand, this population is a potential market for a number of different goods and services.

"In James City County and Williamsburg, the 'affluent elderly' are credited with a rise in per capita income, from about 85 percent of the national average 30 years ago to 130 percent of the national average in 2001."
~Tidewater Builders Association, President's Message, May 2005

AGE PROFILE									
% of Population in Each Age Group									
Locality	0-14	15-24	25-34	35-44	45-54	55-64	65-74	75+	Median Age
Gloucester Co.	21.4%	11.6%	11.8%	18.6%	14.6%	10.2%	6.6%	5.3%	38.0
Hampton	20.2%	16.6%	14.8%	17.7%	12.4%	8.1%	5.8%	4.5%	34.0
James City County	19.2%	10.5%	11.0%	16.4%	14.6%	11.5%	9.5%	7.3%	40.8
Newport News	23.4%	15.6%	15.8%	16.4%	11.5%	7.3%	5.4%	4.6%	32.0
Poquoson	21.7%	11.6%	9.0%	17.7%	16.9%	11.8%	6.6%	4.7%	39.5
Williamsburg[2]	7.8%	47.8%	9.7%	8.1%	8.0%	7.0%	5.9%	5.7%	22.6
York Co.	23.9%	11.9%	11.4%	19.2%	15.1%	9.3%	5.6%	3.5%	36.5
Peninsula	21.7%	11.1%	11.3%	18.2%	14.9%	10.3%	7.3%	5.2%	38.2
Hampton Roads	22.2%	15.5%	14.7%	17.0%	12.6%	7.8%	5.7%	4.6%	33.5
Virginia	20.5%	13.6%	14.6%	17.0%	14.1%	9.0%	6.1%	5.1%	35.7
US	21.4%	13.9%	14.2%	16.0%	13.4%	8.6%	6.5%	5.9%	35.3

Source: US Census Bureau

According to projections provided by the Virginia Employment Commission, the number of working age people will decrease in the next 30 years, while the elderly population will increase dramatically.

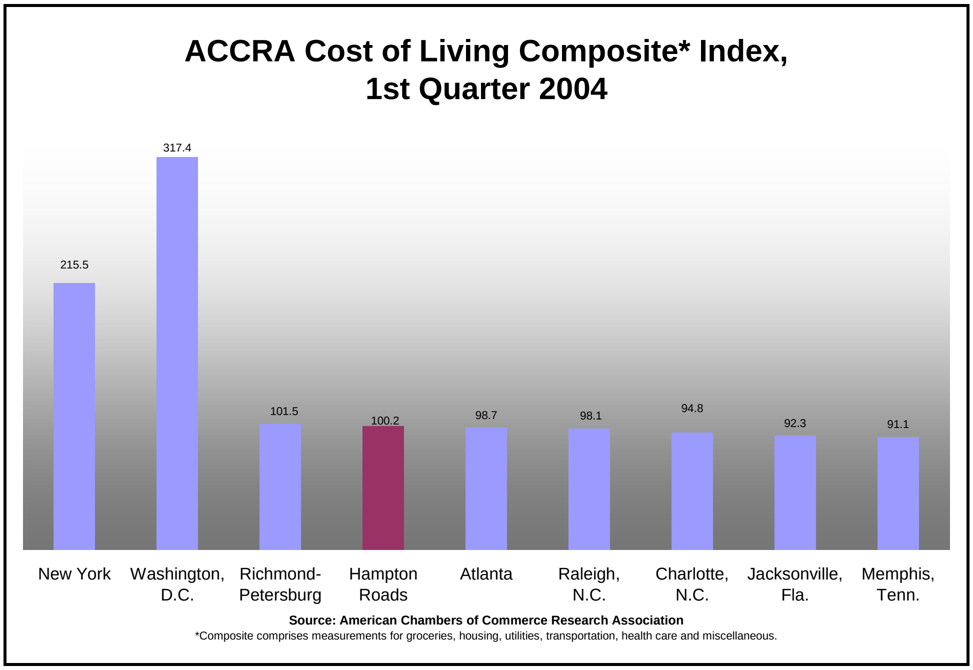
% POPULATION GROWTH BY AGE FOR GREATER PENINSULA				
Age Group	1990 to 2000	2000 to 2010	2000 to 2020	2000 to 2030
Under 15 years	9.0%	-5.8%	-2.9%	0.2%
15 to 24 years	5.6%	0.5%	-7.5%	-4.2%
25 to 34 years	-19.1%	-0.9%	0.6%	-8.5%
35 to 44 years	29.8%	-27.7%	-25.9%	-20.6%
45 to 54 years	46.1%	37.0%	-7.5%	-3.4%
55 to 64 years	24.5%	64.9%	122.4%	46.1%
65 to 74 years	13.0%	29.3%	124.0%	218.0%
75 years and over	56.3%	46.8%	99.2%	238.1%
Total:	12.8%	8.2%	15.6%	22.9%

Source: US Census Bureau, Virginia Employment Commission

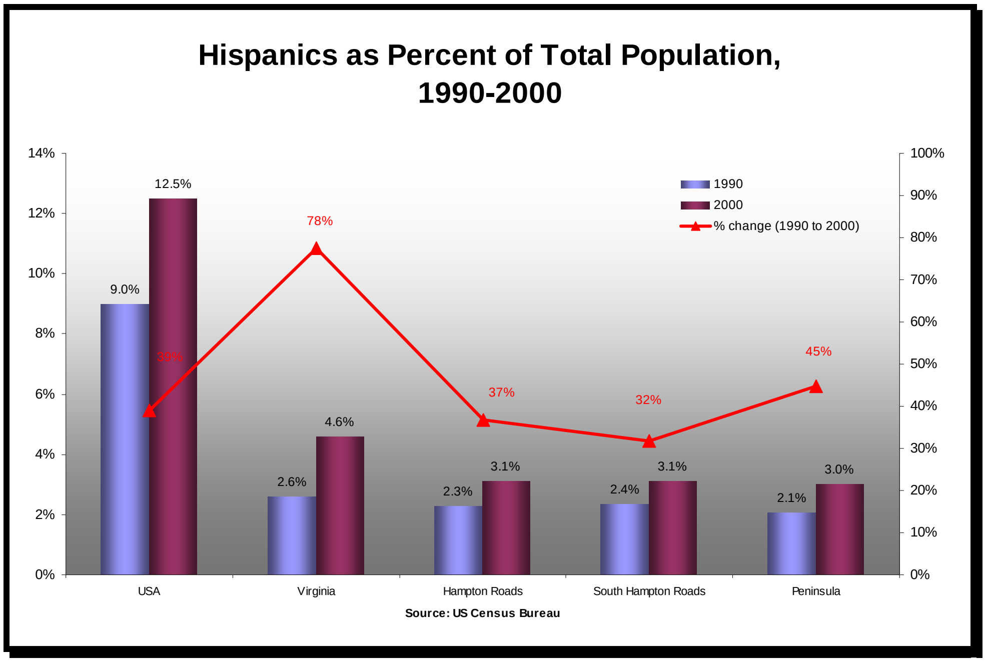
A declining working age population raises potential concerns about an impending skill or workforce shortage. Population growth, particularly in the younger population, is imperative to sustain economic growth. The high quality of the education system in the Peninsula is something that could act as a "pull" factor to attract young adults and

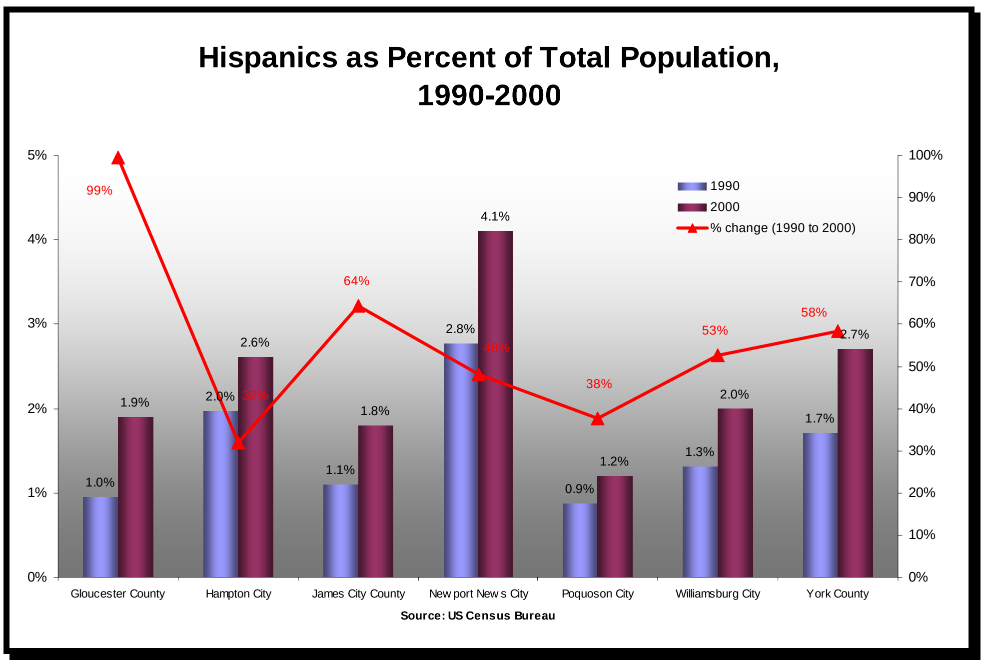
[2] In Williamsburg, the median age is unusually low, and the percentage of youth aged 15-24 is particularly high. This is attributable to the presence of the College of William & Mary. Also, the total population of Williamsburg is not that high, so the data in the age profile is skewed in favor of the younger population.

families with young children. Another pull factor is that the region is an attractive place to live. It boasts of a relatively low cost of living compared to other metro regions, particularly with respect to health care and provisions. (See Appendix for more detail on ACCRA Cost of Living Index). Also, it has many natural resources (port), cultural resources (monuments, historical sites, arts, festivals) and a mild climate.



In addition to age, changing race and ethnicity profiles will alter the face of Greater Peninsula. The region, like the state and nation, is experiencing growth in the Hispanic population. Although Hispanics don't make up a large proportion of the counties in the Peninsula region (between 1.1% and 4.2%), their growth has increased over the ten-year period between 1990 and 2000, and it has been anecdotally reported that growth has increased more dramatically between 2000 and 2005.





There is already a healthy diversity in the area, with large proportions of existing minority populations, particularly African Americans. With increasing diversity, it is important to be aware of issues regarding cultural sensitivity. The increasing Hispanic population may also bring new concerns related to English language proficiency. Immigrant workers in the community face communication and cultural barriers, a sentiment that was echoed among some employers in focus groups that hired immigrant workers. They reported that language and cultural hurdles could take a lot of work to get through.

RACIAL COMPOSITION						
	White	Black	Asian	Other[1]	Mixed[2]	Hispanic[3]
United States	75.1%	12.3%	3.6%	6.5%	2.4%	12.5%
Virginia	72.3%	19.6%	3.7%	2.4%	2.0%	4.7%
Hampton Roads[4]	62.1%	31.2%	2.8%	1.7%	2.2%	3.1%
Peninsula:						
Gloucester County	86.7%	10.3%	0.7%	0.9%	1.4%	1.6%
Hampton	49.5%	44.7%	1.8%	1.5%	2.4%	1.6%
James City County	82.0%	14.4%	1.5%	0.7%	1.4%	1.7%
Newport News	53.5%	39.1%	2.3%	2.3%	2.8%	4.2%
Poquoson	96.3%	0.7%	1.6%	0.5%	1.0%	1.1%
Williamsburg	79.5%	13.3%	4.6%	1.2%	1.5%	2.5%
York County	80.0%	13.4%	3.2%	1.3%	2.0%	2.7%

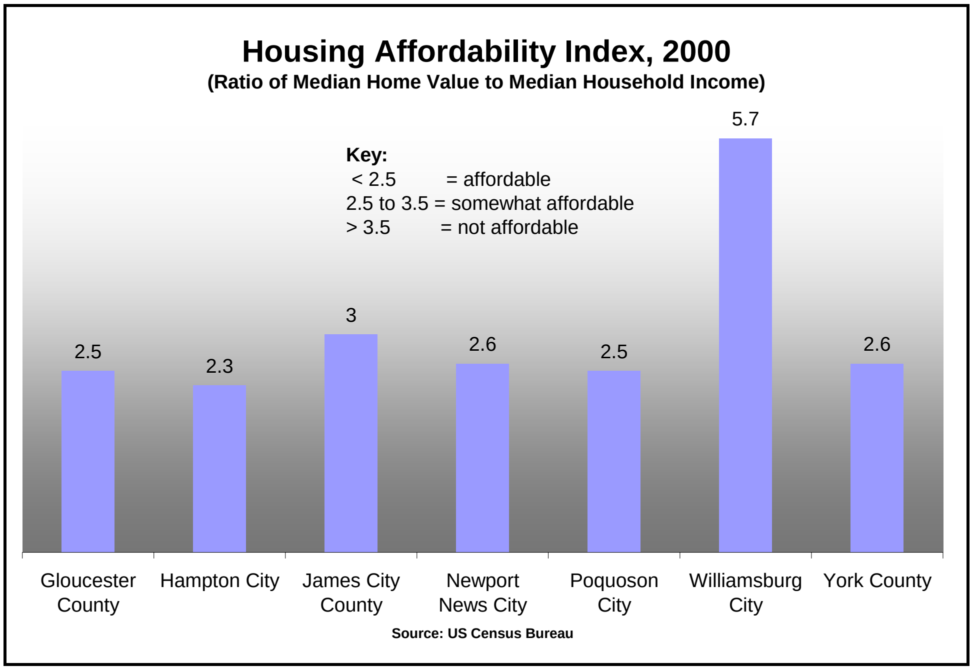
1 Includes Native Americans, Alaska Native, Native Hawaiian, Other Pacific Islander and any other race not listed on the Census Bureau survey
2 Individuals may report more than one race
3 Includes Hispanic or Latino people of any race. This column may cause totals to exceed 100% for each locality
4 Virginia portion of the Hampton Roads MSA excludes Currituck County, N.C.
Source: US Census Bureau

ENGLISH LANGUAGE SKILLS			
	% of Individuals who speak English less than well	Total	Speak English less than well
Gloucester County	0.45%	32,770	148
James City County	0.74%	45,539	338
York County	0.65%	52,569	343
Hampton city	0.76%	137,303	1,048
Newport News city	1.00%	165,897	1,666
Poquoson city	0.53%	10,971	58
Williamsburg city	1.10%	11,675	128
Greater Peninsula	0.82%	456,724	3,729
Virginia	2.17%	6,619,266	143,865

Source: Community Profile of WIA XIV

Affordable Housing[3]

One factor that may affect the ability of the region to attract young workers is a lack of affordable housing. According to the Housing Affordability Index that follows, only Hampton City would be considered affordable, with the rest of the region falling into the somewhat affordable or unaffordable categories.



"The real estate market has been brisk throughout Hampton Roads, spurred by low interest rates and steady improvements in pay and housing incentives for the military. The value of the average home in Virginia Beach, Virginia's most populous city, rose 22 percent this year to $244,500. Neighboring cities have experienced nearly as large percentage increases."
~Fate of Hampton Roads' Economy Lies in Military Budget, Virginia Business, May 2005

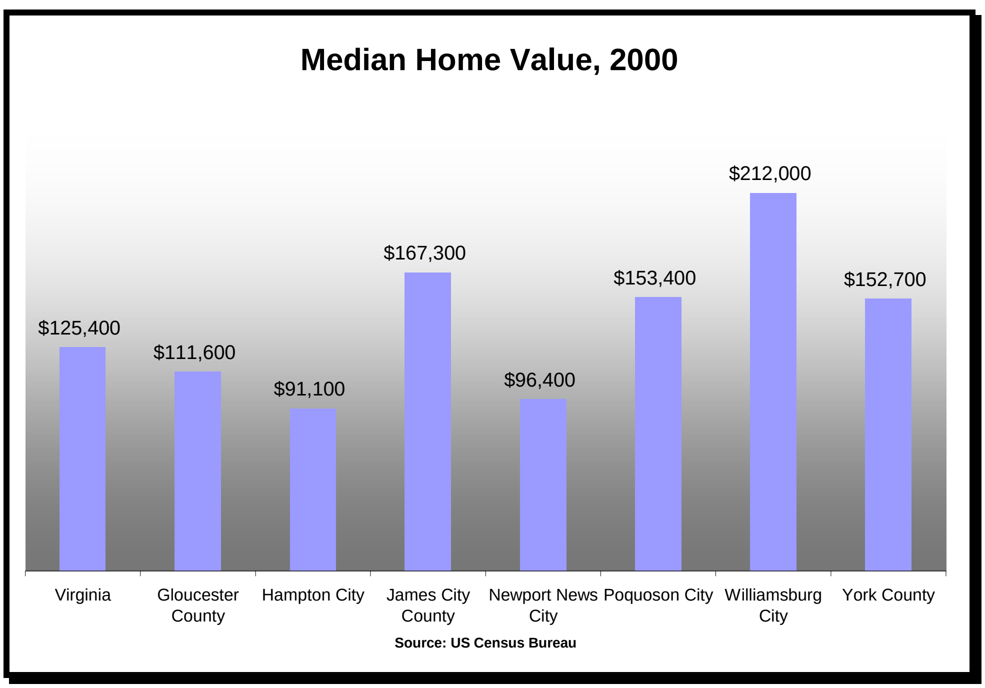
"Home prices are rising in Hampton Roads - the average price has climbed almost 73 percent since 2000."
"The area just cleared the FDIC's definition for a boom market - where the median home price has risen 30 percent in three years. Hampton Roads saw a 31 percent increase. Markets at the top of the list saw increases of almost 60 percent."
"Whaley said he thought that certain U.S. markets - Florida or California or cities like Las Vegas - could be in trouble in coming years. He didn't foresee any significant drop in value here. Whaley expects that prices will start to cool off in the next year and might even stagnate after that.
But, Whaley said, big metro areas almost never see an actual decline in value, unless the

[3] Note the most recent comprehensive data available is for the Year 2000. Housing costs have risen significantly in almost all areas. The charts in this section are useful for comparative purposes. The quotes from the news sources indicate the increases that have taken place.

housing market cool-off coincides with an economic collapse. The FDIC study found that historically, only 17 percent of 'boom' markets ended in a "bust" - defined as a 15 percent median price decline over five years."
"Several factors work in favor of supporting the current price level: Supply is still short. The regional economy is steady. Income growth in the region in recent years has outpaced other areas in the state and country. And Whaley thinks that Hampton Roads entered this boom with prices lagging what they should have been."
"There's hardly anything going for just full price. There's almost always a bidding war," said Phyllis Whitley, a Realtor with Liz Moore & Associates. "It's very discouraging for buyers coming into our market."
~Will it Burst? Home Prices in Hampton Roads are Rising – For Now, Dailypress.com, 11 June 2005

While there is no doubt that Williamsburg is expensive, with the highest median home value in the region, it is important to note that the extremely unaffordable housing index in Williamsburg may not accurately reflect the realities of the situation. For in addition to having the highest median home value, Williamsburg also has one of the lowest median incomes in the region. This, like the skewed age profile earlier in this report, is a consequence of the large student population, who are likely to have exceedingly low median household incomes that drive down the average.

This analysis corroborates anecdotal reports that low-income and high-income housing are interspersed with each other in Williamsburg. So while Williamsburg is generally unaffordable, there are likely pockets of affordable housing in Williamsburg, although they may be occupied by the student population.



Traffic/Commuting

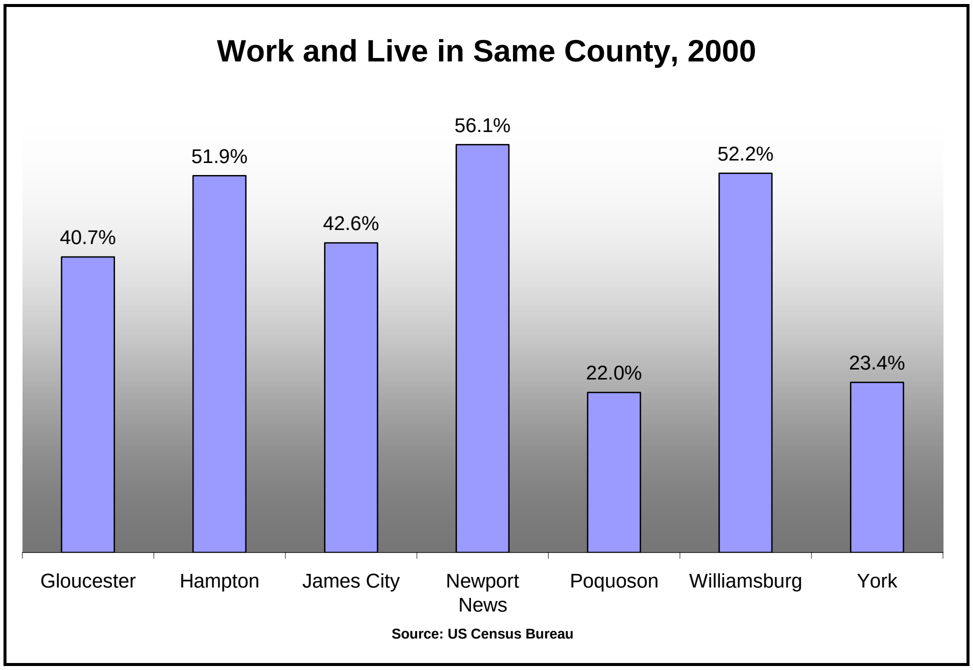
In a 2004 Quality of Life study carried out by Old Dominion University, 20.4% of Hampton Roads residents agreed that traffic was the biggest problem in the region (this had the second highest ratings, after crime & drugs with 21.2%). This perception is affirmed by data that shows the negative effects of traffic on commuters, with 5.6 rush hours per day and an annual cost of $495 per peak traveler. Though traffic tends to slow down during peak hours, the travel time and highway passenger load is not as bad compared to other metro areas.

HIGHWAY TRAVEL COMPARISONS				
Urban Area	Travel Time Index[1]	Rush Hours Per Day	Annual Cost Per Peak Traveler[2]	Peak Travelers (in thousands)
Washington, D.C.	1.47	8.0	$1,345	1,850
Atlanta	1.39	7.8	$1,280	1,582
New York	1.41	7.2	$1,090	7,739
Baltimore	1.31	7.2	$860	1,169
Charlotte, N.C.	1.27	7.4	$810	348
Philadelphia	1.30	7.2	$625	2,438
Hampton Roads	1.19	5.6	$495	804
Charleston, S.C.	1.18	5.6	$415	241
Richmond	1.10	4.2	$390	367

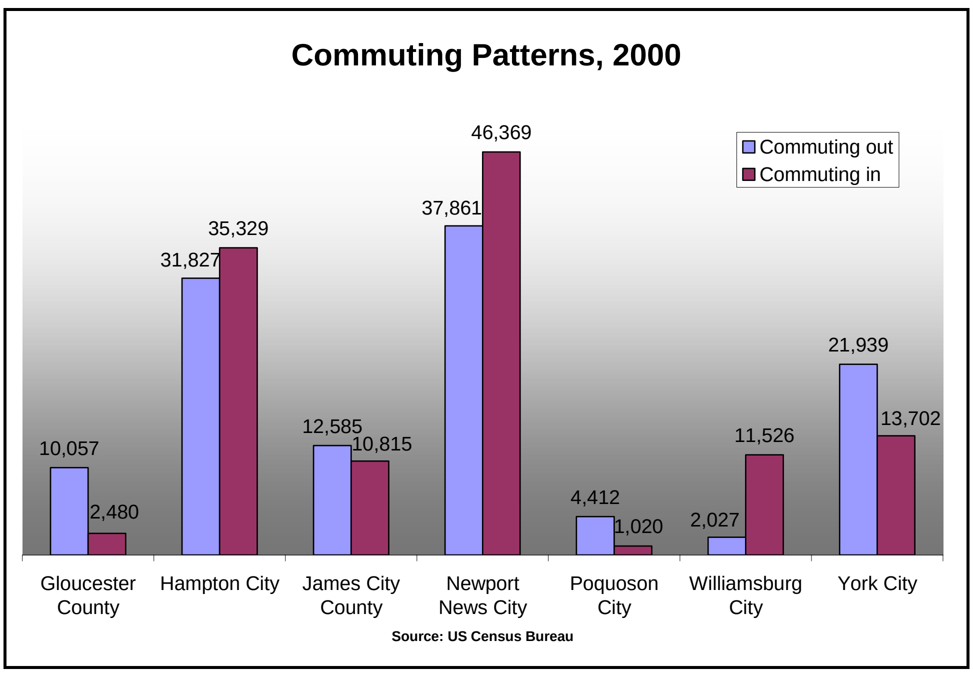
1 The ratio of pea-period travel time to free-flow travel time. A Travel-Time Index of 1.3, for example, means that a 20-minute trip in free-flowing traffic will take 26 minutes during a peak-travel period.
2 The value of the extra time and fuel consumed during congested travel. The value of trucks' operating time is included, but the time value of the commodities the trucks are carrying is not included.
Source: Texas Transportation Institute, 2003 Urban Mobility Study

However, the peak hour passenger load has increased over the years, hitting a high of 804,000 in 2001 (an increase of almost 200,000 since 1992). This increased the amount of travel time, the number of rush hours per day, and the annual cost per peak traveler in the 10-year time frame.

There is a large flow of commuters between the various jurisdictions of the Peninsula, and – to a lesser extent – into and out of the Peninsula. In any given jurisdiction, only about half (or less) of people live and work in the same county.



Even in jurisdictions which are net importers of workers, such as Newport News City and Hampton County, there are also large numbers of people who leave the jurisdiction to go to work. All of this moving around within the region contributes to the heavy traffic flows described above.



In-Commute (To)

Out-Commute (From)

	Gloucester	James City	York	Hampton	Newport News	Poquoson	Williamsburg
Gloucester		923	1,505	1,033	3,311	6	554
James City	100		2,097	893	2,536	14	4,499
York	241	1,954		6,880	7,640	270	1,672
Hampton	121	935	1,673		16,713	330	620
Newport News	319	3,496	5,106	16,109		273	2,393
Poquoson	13	96	552	1,614	1,437		91
Williamsburg	38	823	324	164	314		
Total To County/City From WIA XIV	832	8,227	11,257	26,693	31,951	893	9,829
Other VA Localitites	1,624	2,588	2,400	8,636	13,882	127	1,665
Out of State	24		45		536		32
Total to County/ City:	**2,480**	**10,815**	**13,702**	**35,329**	**46,369**	**1,020**	**11,526**
Total In State	*2,456*	*10,815*	*13,657*	*35,329*	*45,833*	*1,020*	*11,494*
Total Out of State	*24*	*0*	*45*	*0*	*536*	*0*	*32*

Section 2: Workforce Issues

Jobs and Wages in Hampton Roads

Wages are generally not as high in the Peninsula counties compared to the surrounding regions and the state of Virginia. This may provide a disincentive for younger people to stay.

WHERE THE JOBS ARE			
Locality	Employers[1]	Jobs[2]	Average Weekly Wages
Virginia Total	199,129	3,460,761	$785
Hampton Roads Total[3]	34,419	710,612	$656
Peninsula	10,365	223,877	$647
Gloucester County	896	9,442	$476
Hampton	2,450	58,343	$691
James City County	1,249	22,573	$545
Newport News	3,604	96,637	$694
Poquoson	191	1,817	$511
Williamsburg	729	17,928	$566
York County	1,246	17,137	$556
South Hampton Roads	24,156	488,829	$663
Chesapeake	4,621	93,314	$594
Isle of Wight County	590	12,589	$706
Mathews County[4]	217	1,556	$415
Norfolk	5,473	145,488	$745
Portsmouth	1,694	42,633	$742
Suffolk	1,235	22,579	$623
Surry County	102	2,095	$1,224
Virginia Beach	10,224	168,575	$608

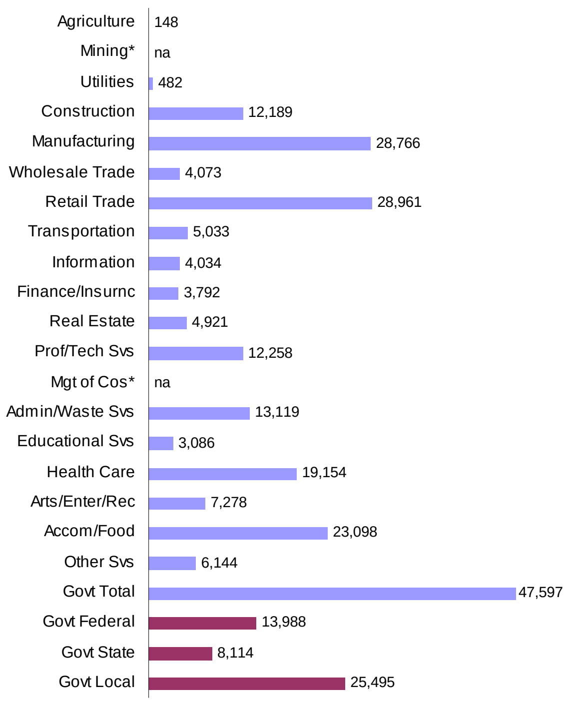
1 Number of establishments
2 Average employment
3 The Virginia portion of the Hampton Roads MSA excludes Currituck County, NC
4 Mathews County recently became a part of the Peninsula
Source: Virginia Employment Commission (Fourth Quarter 2003)

However, there are jobs for people at all ends of the skills spectrum. The Hampton Roads region is the largest retail market between DC and Atlanta with many large retail employers (but who pay lower wages and offer few benefits). Projected and recent growth in the hospitality industry will increase the number of low-skill jobs available.

- In Hampton, a new Savannah Suites opened in April 2004 and plans were announced to build a Wingate Hotel in the Phoebus district.
- In 2004, Gloucester County opened a visitor center and gift shop on historic Court Circle.

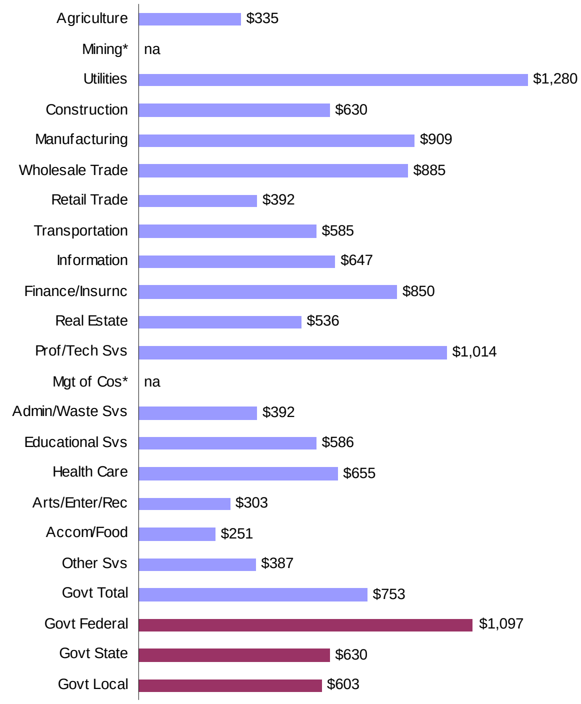
➢ In Newport News, the Virginia Living Museum completed a $22.6 million expansion in March, opened the USS Monitory Center at the Mariner's Museum in the summer of 2004, and opened the Ferguson Center for the Arts in September 2004.

Greater Peninsula Employment by Industry
4th Quarter 2003 to 3rd Quarter 2004



Source:Virginia Employment Commission

Greater Peninsula Average Weekly Wage by Industry
4th Quarter 2003 to 3rd Quarter 2004



Source: Virginia Employment Commission

With low unemployment rates in the region, supporting the growth of the tourism and other industries may require tapping into non-traditional sources of labor such as the mature population and recent immigrants. Military family members are another potential source of employment, with a population of over 200,000 active duty military and family members and an additional 48,000 regionally supported retirees.

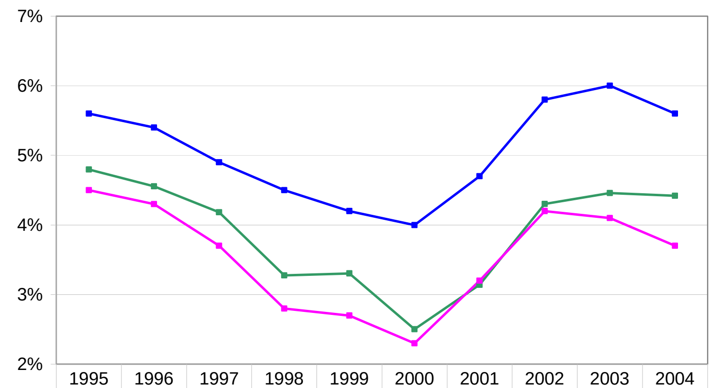
According to a study completed by Lehman and Associates in 2000, as a whole 69.6% of the military population has some computer skills, and 85% of military spouses have some post secondary education. Several resources/programs are available for employers who want to hire from military-related population.

Another possible challenge is that while the region's employers have typically been able to draw from the entire Peninsula and Hampton Roads region for employees, there is anecdotal evidence from the focus groups that the steep increases in gas prices are pushing the low-end of the labor pool to look for work closer to home.

Unemployment Data

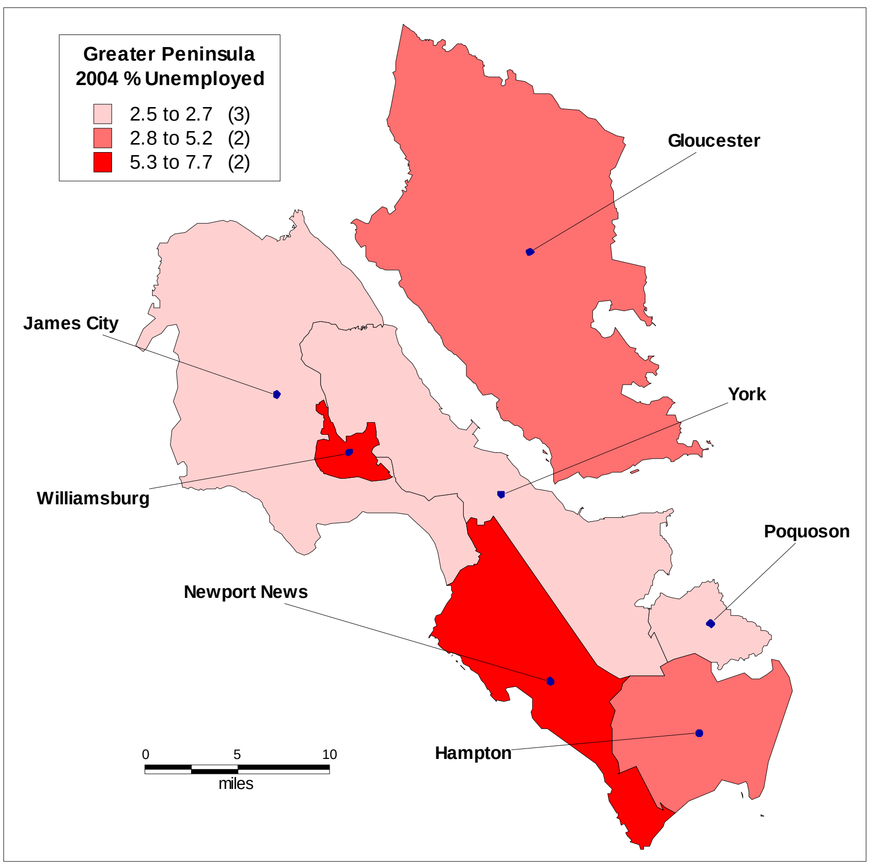
Unemployment in the Greater Peninsula is quite low compared to the nation, and just slightly higher than the state. The unemployment rate was highest in the Williamsburg and Newport News areas.

Unemployment Rate Trends, 1995 to 2004

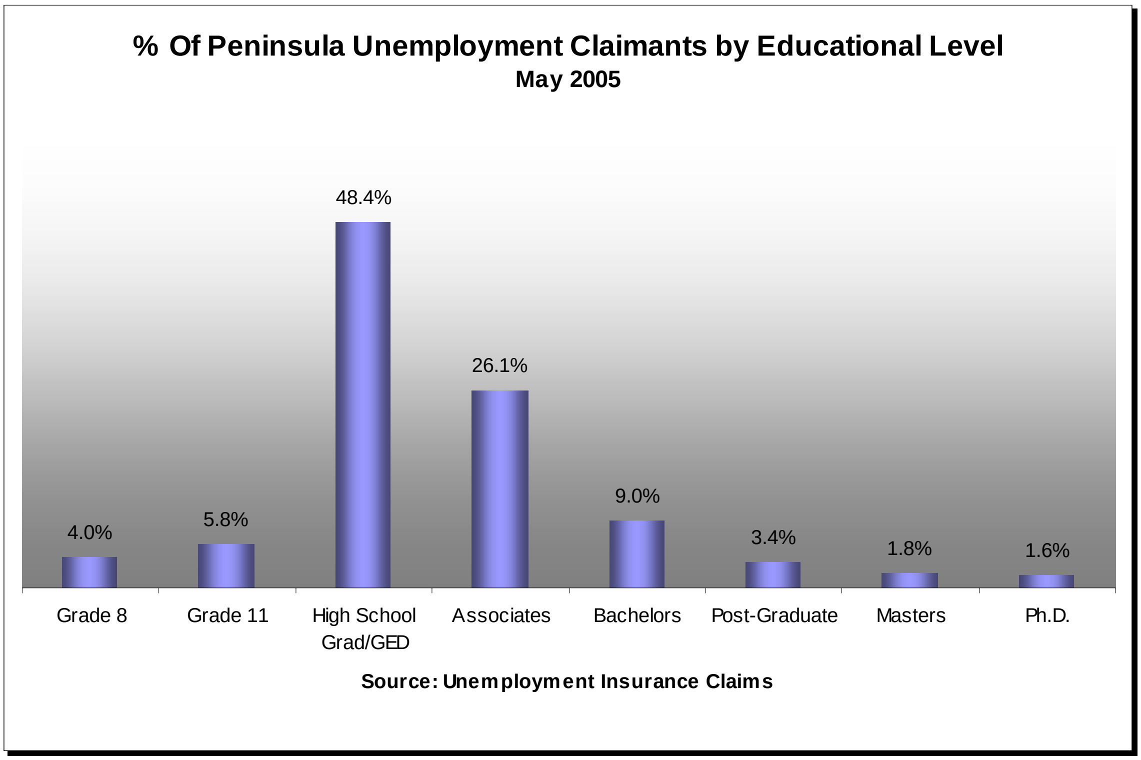


	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Greater Peninsula	4.8%	4.6%	4.2%	3.3%	3.3%	2.5%	3.1%	4.3%	4.5%	4.4%
Virginia	4.5%	4.3%	3.7%	2.8%	2.7%	2.3%	3.2%	4.2%	4.1%	3.7%
USA	5.6%	5.4%	4.9%	4.5%	4.2%	4.0%	4.7%	5.8%	6.0%	5.6%

Source: Local Area Unemployment Statistics, Bureau of Labor Statistics



The highest percentage of unemployment claimants comes from those with just a high school diploma or GED (48.4%). The table (below) comparing educational attainment and unemployment levels illustrates the importance of education in job stability. The proportion of unemployment claimants with only a high school education is disproportionately large compared to their share of the population, while the opposite is true for those holding bachelor's or graduate/ professional degrees. An advanced degree is no longer the guarantee of employment it once was, but it certainly is valuable insurance.



EDUCATION AND UNEMPLOYMENT						
% of Total						
	Less than 9th Grade	9th to 12th grade	High School Graduate	Some College/ Assoc	Bachelor's Degree	Graduate/ Prof Degree
2000 Educational Attainment	4.0%	9.8%	27.3%	33.4%	15.6%	9.8%
May 2000 Unemployment Claimants	1.8%	8.7%	42.5%	34.4%	7.9%	4.1%
May 2005 Unemployment Claimants	4.0%	5.8%	48.4%	26.1%	9.0%	6.8%

Note: Educational attainment for 2005 is not available.
Source: US Census Bureau, Virginia Employment Commission

In terms of occupations, Management; Computer & Mathematical; Food Preparation & Serving; and Office & Administrative Support are among the occupations with the highest numbers of unemployment claimants and highest percentage increases.

GREATER PENINSULA UNEMPLOYMENT CLAIMANTS BY OCCUPATION						
Occupation	Number of Claimants					% increase (May 01 to May 05)[4]
	May 2001	May 2002	May 2003	May 2004	May 2005	
Management	171	257	230	224	209	22.2%
Business and Financial Operations	36	50	91	81	53	47.2%
Computer and Mathematical	49	149	95	97	101	106.1%
Architecture and Engineering	56	109	82	49	52	(7.1%)
Life, Physical, and Social Science	12	16	17	12	11	(8.3%)
Community and Social Services	8	12	35	22	23	187.5%
Legal	3	5	13	12	5	66.7%
Education, Training, and Library	21	38	48	33	40	90.5%
Arts, Design, Entertainment, Sports, and Media	17	41	35	29	23	35.3%
Healthcare Practitioners and Technical	20	35	49	43	41	105.0%
Healthcare Support	30	54	71	70	61	103.3%
Protective Service	12	32	33	47	39	225.0%
Food Preparation and Serving Related	132	166	246	244	217	64.4%
Building and Grounds Cleaning and Maint	59	107	119	108	89	50.8%
Personal Care and Service	16	28	39	35	21	31.3%
Sales and Related	268	340	447	380	349	30.2%
Office and Administrative Support	288	496	559	424	492	70.8%
Farming, Fishing, and Forestry	2	4	6	5	7	250.0%
Construction and Extraction	166	370	507	218	272	63.9%
Installation, Maintenance, and Repair	74	159	173	134	110	48.6%
Production	261	755	484	467	286	9.6%
Transportation and Material Moving	165	263	273	180	187	13.3%
Military Specific	3	6	9	5	12	300.0%
Total	1,869	3,493	3,661	2,920	2,700	44.5%

[4] Large percentage changes must be viewed in light of actual numbers. When numbers are low a change of one or two individuals may result in a large percent change.

Entrepreneurship

Innovation and entrepreneurship will be critically important as outsourcing and offshoring of many different jobs becomes increasingly common. The Norfolk/ Virginia Beach/ Newport News metropolitan area was ranked the 7th best city for entrepreneurs. This is ripe territory to foster and promote as a workforce and economic development strategy.

ENTREPRENEUR AND D&B'S 2003: BEST CITIES FOR ENTREPRENEURS – TOP OVERALL CITIES						
Overall Rank	City/Metro Area	Entrepreneurial Activity	Small Biz Growth	Job Growth	Risk	2002 Rank
1	Minneapolis/St. Paul, MN /WI	58	96	77	93	15
2	Washington, DC, MD /VA /WV	66	78	78	96	1
3	Atlanta, GA	99	63	70	82	11
4	Fort Lauderdale, FL	90	45	95	76	5
5	Salt Lake City/Ogden, UT	76	93	82	53	21
6	West Palm Beach/Boca Raton, FL	90	27	99	78	18
7	Norfolk/Virginia Beach/Newport News, VA /NC	69	79	63	78	11
8	Miami, FL	77	57	73	76	28
9	Charlotte/Gastonia/Rock Hill, NC /SC	71	78	61	70	25
10	Orlando, FL	98	20	71	80	5

Source: http://www.entrepreneur.com/bestcities/

Education is a way to help develop the entrepreneurial skills of the workforce. The State is committed to developing entrepreneurs through the Virginia Department of Business Assistance. Other entrepreneur resources in the Hampton Roads region include:

- The College of William & Mary has a business program with an entrepreneurship emphasis.
- Thomas Nelson Community College offers a degree in business administration and has a track for entrepreneurship.
- Hampton University offers business degrees and non-credit certificates in entrepreneurship.
- Christopher Newport University invites guest speakers and holds seminars with an entrepreneurial focus.

The tax environment is attractive to potential entrepreneurs: Virginia's 6% corporate income tax, one of the lowest in the nation, has held steady for almost 30 years. The sales and use tax – 4% state and 1% local – is the 7th lowest in the country.[5]

[5] Virginia's Business Incentives

TAX COMPARISON			
Taxes	Rates		
	Virginia	U.S. (Median)	South Atlantic (Median)
Income Taxes:			
Corporate Income Tax	6.00%	6.97%	6.90%
Sales and Use Taxes:			
State Tax	4.00%	5.00%	5.00%
State and Typical Local Tax (combined)	5.00%	6.00%	5.00%

Source: Research Institute of America, State and Local Taxes: All States Tax Guide, 3/16/2004

Poverty and Income

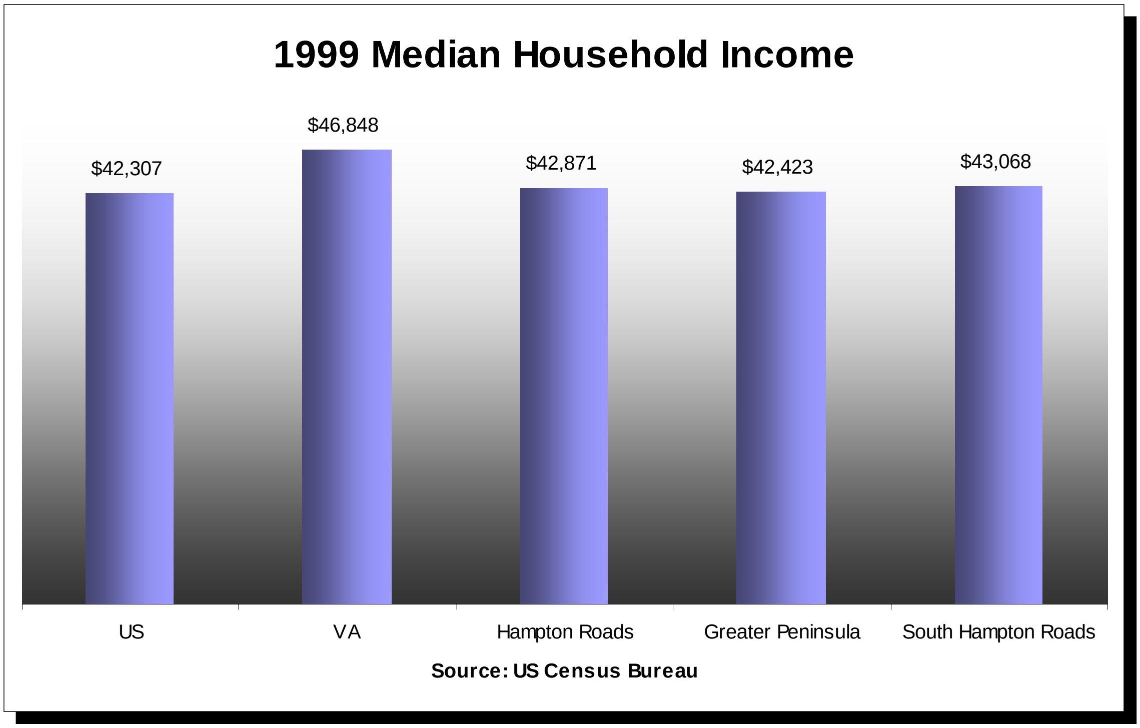
Although the region pays slightly lower wages than the state and some competing regions, poverty and income indicators are positive. The poverty rate for the region is slightly higher than the state average, but nearly two points lower than the nation. Only Williamsburg and Newport News have higher poverty levels than the nation.

The median age of people in poverty in Williamsburg points towards the existence of a pocket of low income workers there. As shown in Section 1, the region has a large number of young people that are students at the college there. While one might expect these young people to have low median incomes, the median age of people below poverty in Williamsburg is 35.1 – one of the oldest in the region. This data reflects the housing affordability issues addressed in Section 1, as well as anecdotal reports from the focus groups that reported pockets of visible poverty in Williamsburg.

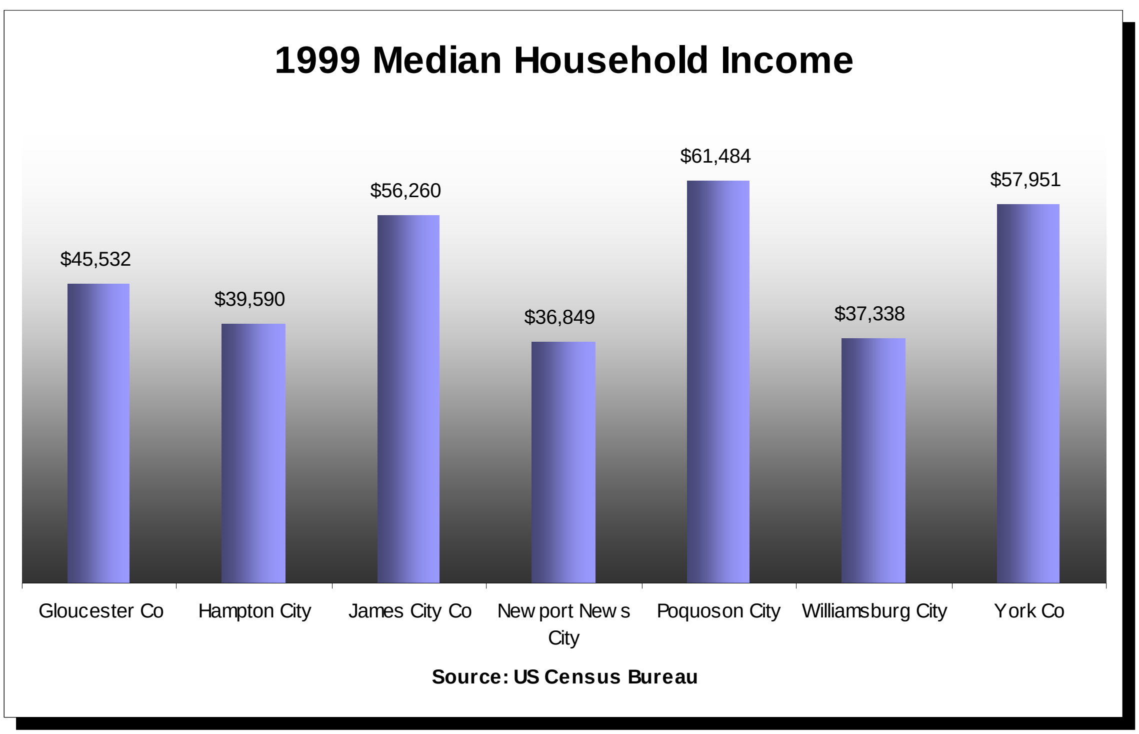
POVERTY LEVEL, 2000			
	Total Population for whom poverty status is determined	% Pop below poverty level	Median Age of persons below the poverty level
US	273,882,232	12.4%	31.0
VA	6,844,372	9.6%	32.9
Hampton Roads	1,489,656	10.6%	28.2
Greater Peninsula	463,751	10.5%	28.1
South Hampton Roads	1,025,905	10.7%	28.2
Gloucester	34,361	7.7%	32.8
Hampton	133,579	11.3%	28.6
James City	46,968	6.4%	35.3
Newport News	174,307	13.8%	25.3
Poquoson	11,427	4.5%	30.4
Williamsburg	7,448	18.3%	35.1
York	55,661	3.5%	31.5

Source: US Census Bureau

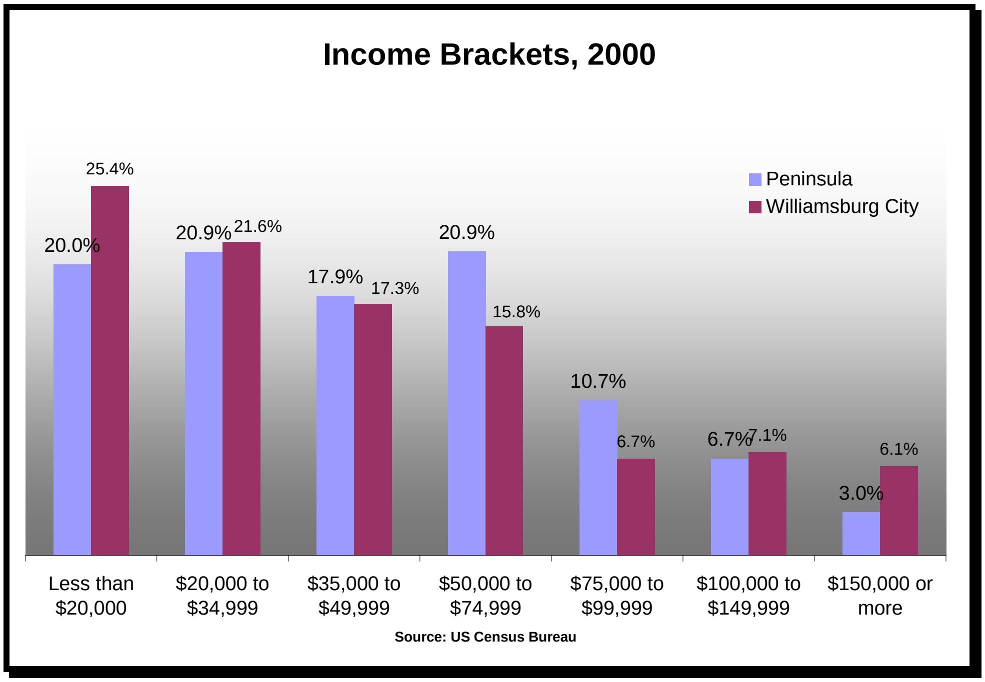
Census data shows that the Peninsula's median income level was comparable to the nation's median income, though it was slightly lower than the State and SHR.



The difference in income between the jurisdictions is rather large, with Poquoson, York, and James City having the three largest median household incomes respective.



Looking more closely at median incomes in Williamsburg, it is apparent that, compared to the region, it has a higher percentage of its population at both the lowest and highest income brackets.



Educational Attainment

The Hampton Roads area is not competitive with the comparison MSAs in terms of its population with a college degree. However, the Greater Peninsula fairs well in terms of educational attainment compared to the state and nation. It has a higher percentage of its population with at least some college or a bachelor's degree. There is some variation within the region, but on the whole, Greater Peninsula residents are fairly well educated. In Williamsburg and James City County, over 40% of the population 25 years and older holds a bachelor's degree. Educational attainment is lowest in Newport News and Gloucestor County.

COMPARING EDUCATIONAL ATTAINMENT IN HAMPTON ROADS TO OTHER MSAS							
Education	USA	Hampton Roads VA	Richmond VA	Charlotte NC	Jacksonville FL	Raleigh/ Durham NC	Charleston SC
HS Degree	80%	85%	83%	81%	82%	85%	81%
Two-Year College Degree	6%	8%	5%	6%	8%	7%	6%
Four-Year College Degree	16%	15%	19%	19%	15%	25%	16%
Graduate/Prof Degree	10%	8%	10%	7%	7%	14%	8%
Public School Expenditures	$5,894	$5,379	$5,653	$5,252	$4,985	$5,390	$5,032

Source: Old Dominion University Economic Forecasting Project; Bert Sperling and Peter Sander, "Cities Ranked and Rated" (Hoboken, NJ: Wiley, 2004)

% POPULATION 25 YEARS OR OLDER BY EDUCATIONAL ATTAINMENT, 2000			
	HS or Less	Some College or Assoc Degree	BA or Higher
US	48.2%	27.4%	24.4%
VA	44.5%	26.0%	29.5%
Hampton Roads	43.0%	33.1%	23.9%
Greater Peninsula	41.1%	33.4%	25.4%
South Hampton Roads	43.9%	33.0%	23.2%
Gloucester Co	49.9%	32.4%	17.6%
Hampton City	42.5%	35.7%	21.8%
James City Co	31.6%	26.9%	41.5%
Newport News City	45.6%	34.5%	19.9%
Poquoson City	38.5%	29.9%	31.6%
Williamsburg City	31.2%	23.8%	45.0%
York Co	29.5%	33.2%	37.4%

Source: US Census Bureau

% POPULATION 25 YEARS OR OLDER BY EDUCATIONAL ATTAINMENT, 2000							
	Less than 9th grade	9th to 12th grade/no diploma	High school graduate	Some college, no degree	Associate degree	Bachelor's degree	Graduate/ professional degree
US	7.5%	12.1%	28.6%	21.0%	6.3%	15.5%	8.9%
VA	7.2%	11.3%	26.0%	20.4%	5.6%	17.9%	11.6%
Hampton Roads	4.4%	10.9%	27.7%	26.3%	6.8%	15.4%	8.5%
Greater Peninsula	4.0%	9.8%	27.3%	25.9%	7.5%	15.6%	9.8%
South Hampton Roads	4.6%	11.4%	27.9%	26.5%	6.5%	15.3%	7.9%
Gloucester Co	6.5%	11.8%	31.7%	25.2%	7.2%	10.7%	6.9%
Hampton City	4.1%	10.4%	28.0%	27.2%	8.6%	13.5%	8.3%
James City Co	2.9%	7.9%	20.9%	21.1%	5.8%	24.8%	16.7%
Newport News City	4.2%	11.3%	30.1%	27.2%	7.3%	13.4%	6.5%
Poquoson City	3.4%	8.0%	27.1%	22.2%	7.7%	17.7%	13.9%
Williamsburg City	3.8%	6.6%	20.8%	19.1%	4.7%	23.7%	21.4%
York Co	2.6%	5.7%	21.1%	25.6%	7.5%	20.9%	16.4%

Source: US Census Bureau

Emerging Workforce

The local education system is, overall, performing better than the state average as reflected in SOL scores (the major exception is Newport News which ranks lower on these test scores than the state averages). Similarly SAT scores are generally better than the national averages (excepting Newport News and Hampton).

STANDARDS OF LEARNING TEST RESULTS, SPRING 2003						
	Public School System	% of Eighth Grade Students Passing Each Subject				
		English	Writing	Math	Science	History
	Virginia Total	67%	74%	72%	84%	80%
Peninsula	Gloucester County	81%	77%	80%	91%	85%
	Hampton	65%	73%	77%	78%	79%
	Newport News	58%	63%	63%	78%	77%
	Poquoson	85%	89%	85%	94%	92%
	Williamsburg/James City County	77%	77%	77%	86%	81%
	York County	81%	74%	72%	84%	80%
South Hampton Roads	Chesapeake	71%	78%	78%	87%	85%
	Isle of Wight County	68%	75%	70%	87%	84%
	Mathews County	61%	70%	53%	82%	66%
	Norfolk	58%	63%	63%	78%	77%
	Portsmouth	53%	56%	59%	65%	63%
	Suffolk	60%	68%	64%	77%	62%
	Surry County	63%	71%	68%	80%	72%
	Virginia Beach	74%	77%	81%	87%	82%

Source: Virginia Department of Education (Spring 2003)

2002 - 2003 AVERAGE SAT SCORES OF COLLEGE-BOUND SENIORS				
	Verbal	Math	Combined	No. of High School Graduates
US	507	519	1,026	2,643,066
Virginia	514	510	1,024	68,270
Gloucester	512	484	996	530
Hampton	466	466	932	1,549
Newport News	479	468	947	1,897
Poquoson	547	529	1,076	213
Williamsburg-James City Co.*	518	511	1,029	1,160
York	530	520	1,050	1,091
Suffolk*	466	441	907	651
Virginia Beach	509	505	1,014	4,695

*2004 data

Source: National Center for Education Statistics, Individual Public School websites

Postsecondary education plans are one indicator of the ability of the region's educational system to prepare students for pursue postsecondary education. Postsecondary aspirations throughout the Greater Peninsula region are higher than for the state, with over half of students planning to pursue a four-year degree, and another 16% aiming for a two-year program, which would indicate that students feel prepared to succeed. One notable exception is Gloucestor County, where aspirations are much lower. Despite having the lowest SOL and SAT scores, 68.2% of Newport News high school graduates report plans to pursue a four-year college degree.

HIGHER EDUCATION PLANS OF HIGH SCHOOL GRADUATES					
Public School System	Graduates	2-Year College	4-Year College	Other Plans	No Plans
Virginia Total	75,500	23.1%	46.2%	19.5%	11.2%
Hampton Roads Total	17,346	19.5%	47.2%	14.6%	13.1%
Peninsula Total	6,440	16.0%	52.6%	16.8%	14.6%
Gloucester County	530	21.9%	24.2%	35.3%	18.7%
Hampton	1,549	21.0%	34.9%	10.1%	33.9%
Newport News	1,897	12.1%	68.2%	9.2%	10.4%
Poquoson	213	24.4%	55.4%	15.5%	4.7%
Williamsburg/James City County	1,160	10.8%	72.7%	7.5%	9.1%
York County	1,091	16.8%	42.3%	40.8%	0.2%
South Hampton Roads Total	10,906	21.5%	44.1%	13.3%	12.3%
Chesapeake	2,632	23.7%	45.3%	16.9%	14.0%
Isle of Wight County	313	23.3%	39.3%	37.4%	0.0%
Mathews County	106	25.5%	43.4%	30.2%	0.9%
Norfolk	1,469	22.2%	49.2%	16.4%	12.2%
Portsmouth	969	NA	NA	NA	NA
Suffolk	651	17.2%	55.9%	25.0%	1.8%
Surry County	71	12.7%	60.6%	18.3%	8.5%
Virginia Beach	4,695	25.0%	49.3%	9.3%	16.4%

Source: Virginia Department of Education (Spring 2003)

Section 3: Industry Cluster Data

Notes on Industry Cluster Data

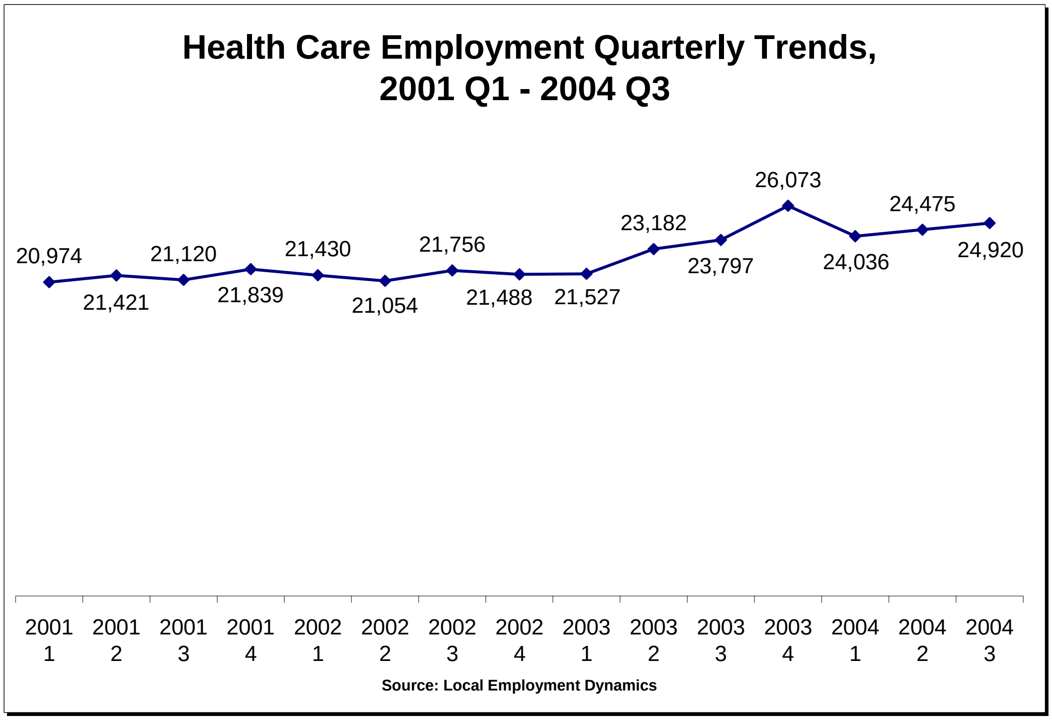
Most of this data come from the Local Employment Dynamics program from the US Census Bureau. This program looks at data differently than many traditional approaches to labor market information, and allows us to get a more in-depth picture of what is going on in an industry. However, this new approach means that some terms for data have slightly different meanings than readers may be used to.

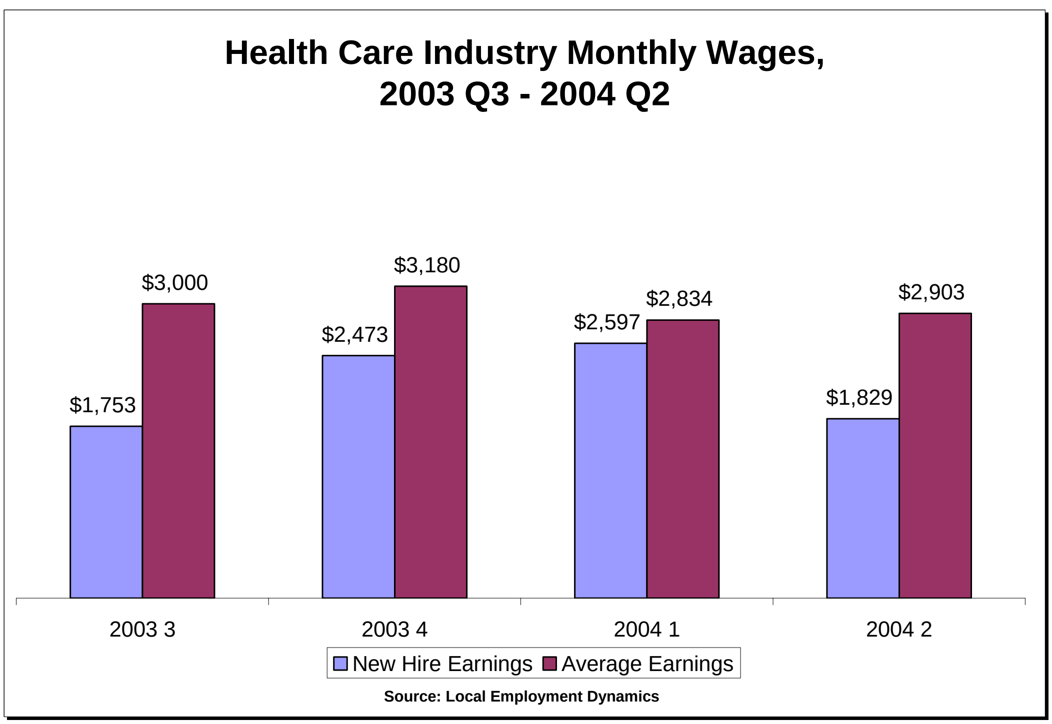
Average Quarterly Employment – all employment numbers in the charts below are a rolling average of employment for the named quarter *plus* the three preceding quarters.

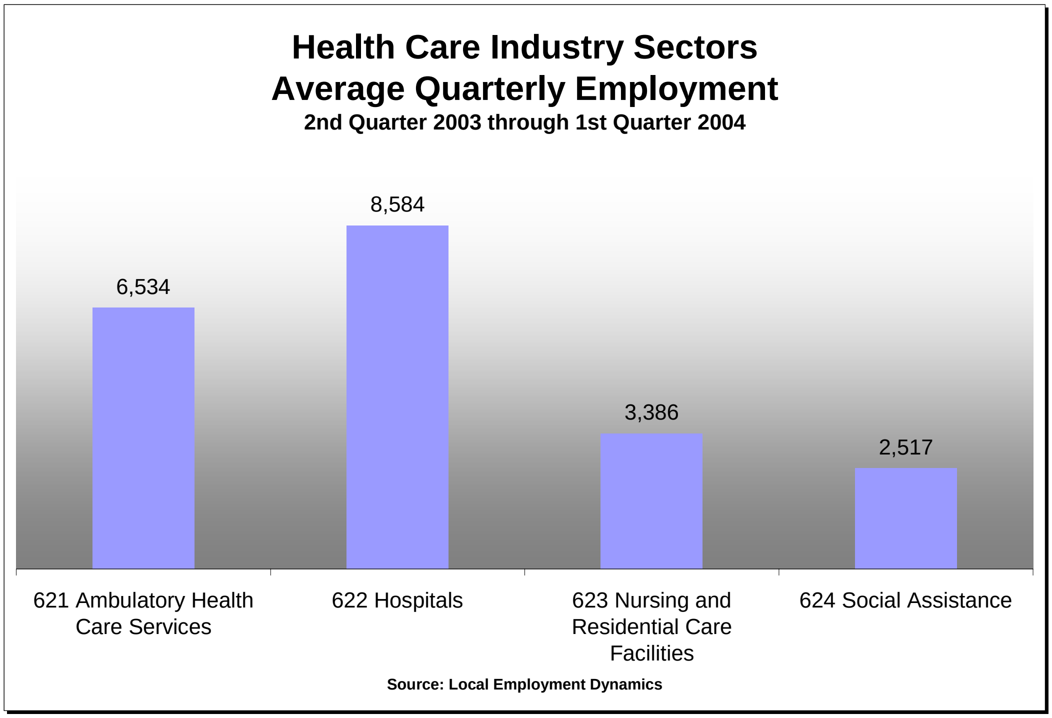
Percent Change in Employment – it is important to note that this chart compares two "snapshots" of the industry subsectors – in this case, the first quarters of each of 2004 and 2003. As the quarterly trend charts show, depending on the industry there can be significant seasonal trends or mid year changes that will be apparent when only looking at the first quarter of each year.

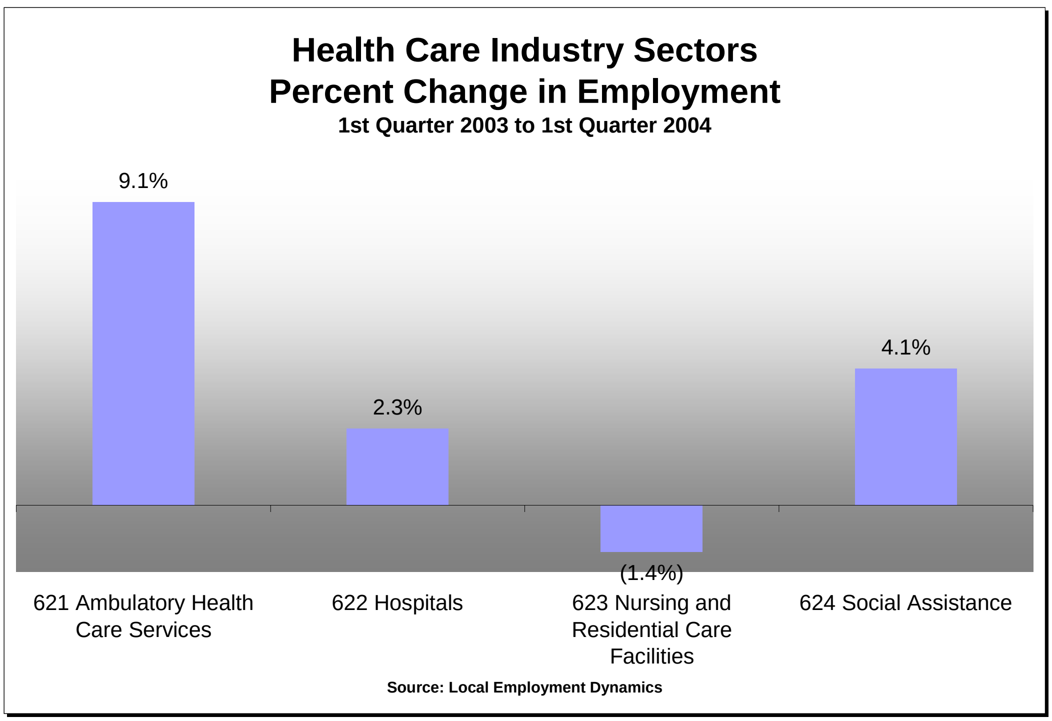
Healthcare

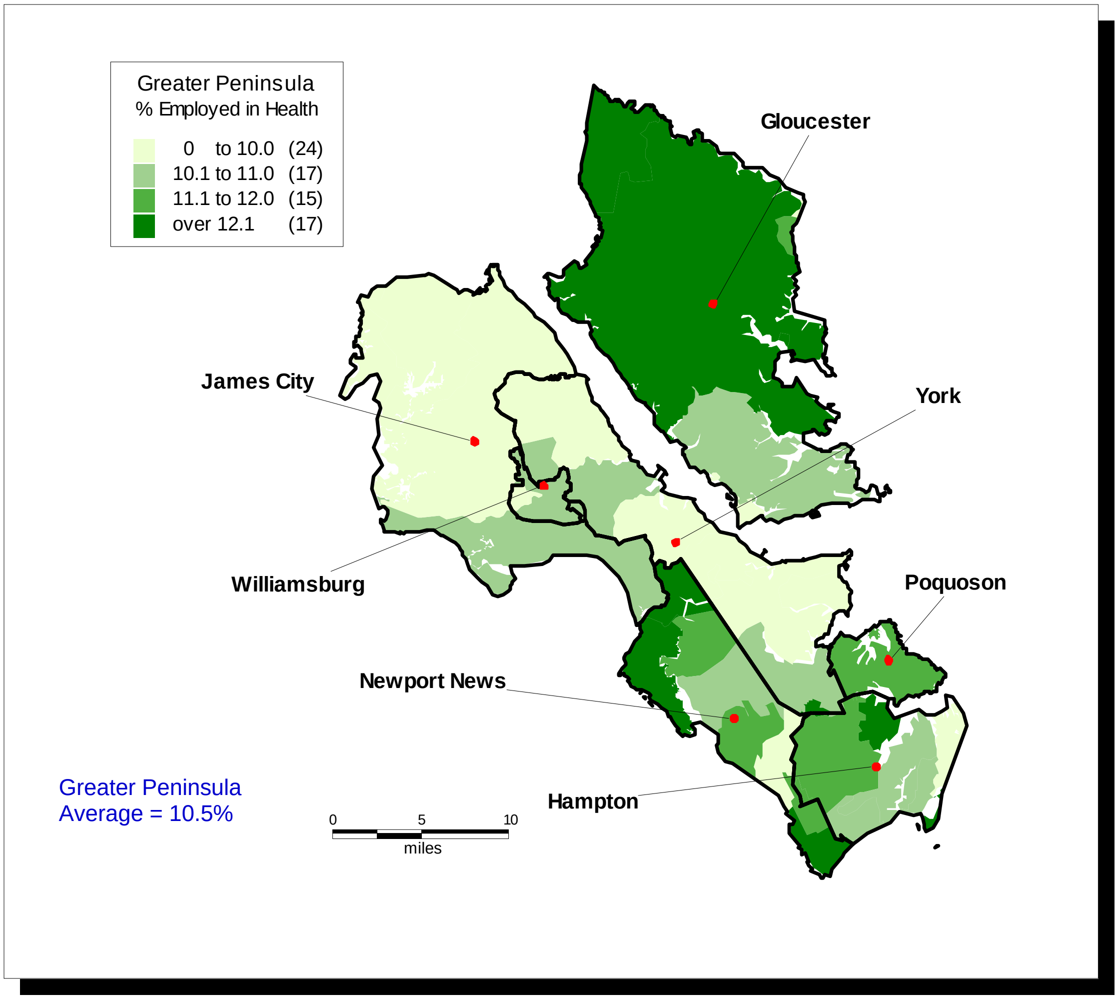
LED and other data






Health Care Industry Sectors
Average Quarterly Employment
2nd Quarter 2003 through 1st Quarter 2004
6,534
8,584
3,386
2,517
621 Ambulatory Health Care Services
622 Hospitals
623 Nursing and Residential Care Facilities
624 Social Assistance
Source: Local Employment Dynamics


Health Care Industry Sectors
Percent Change in Employment
1st Quarter 2003 to 1st Quarter 2004
9.1%
2.3%
(1.4%)
4.1%
621 Ambulatory Health Care Services
622 Hospitals
623 Nursing and Residential Care Facilities
624 Social Assistance
Source: Local Employment Dynamics



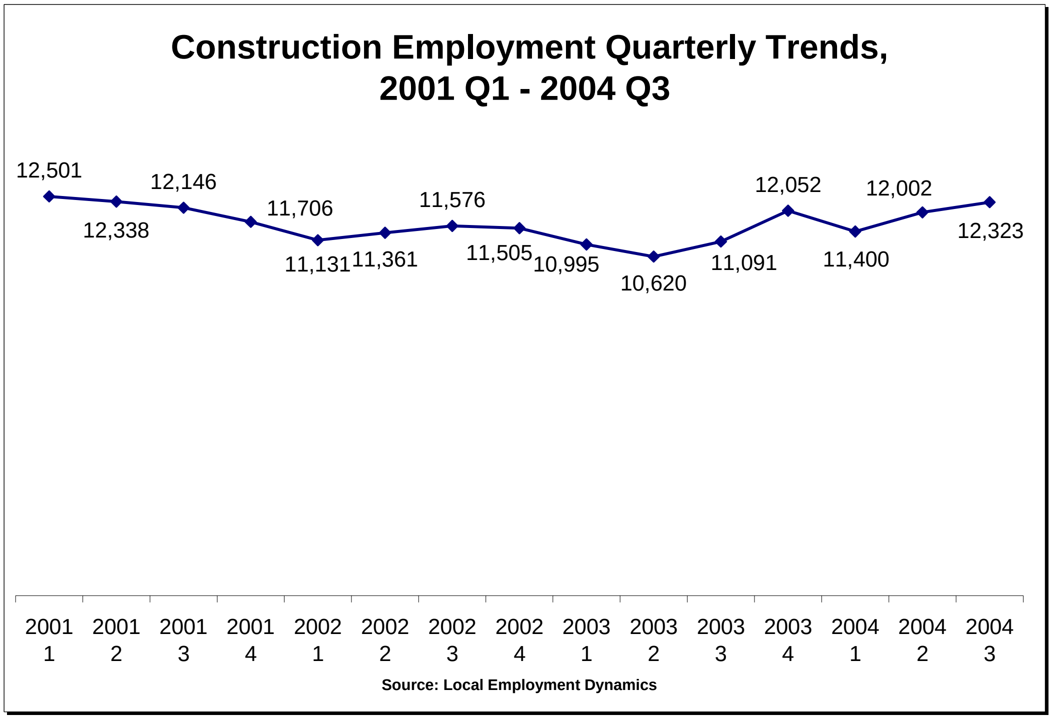
Health Care focus group feedback/themes

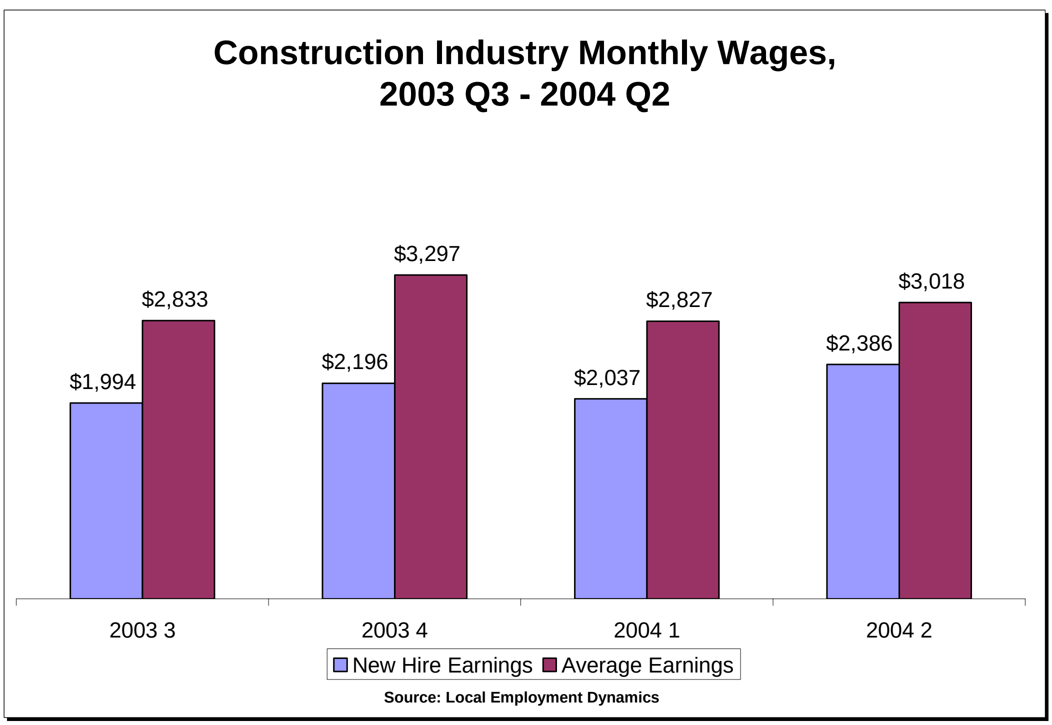
- Transportation for lower wage workers is becoming an issue.
- Childcare for healthcare workers is a critical workforce issue, especially since much healthcare work is shift work.
- Specialization training for RNs is emerging as a need since nurses serve in highly discreet areas where different tasks are performed.
- There is a lack of Career Path for CNAs. CNAs are viewed as close to a temporary pool of workers. Competition at this level is with fast food and other minimal skill jobs. High turnover in built into the business model.
- Limited Career Awareness for youth. Healthcare opportunities are not well represented in any career awareness efforts.
- Low wage rates in Peninsula area, compared to other nearby areas, make it difficult to retain workers.

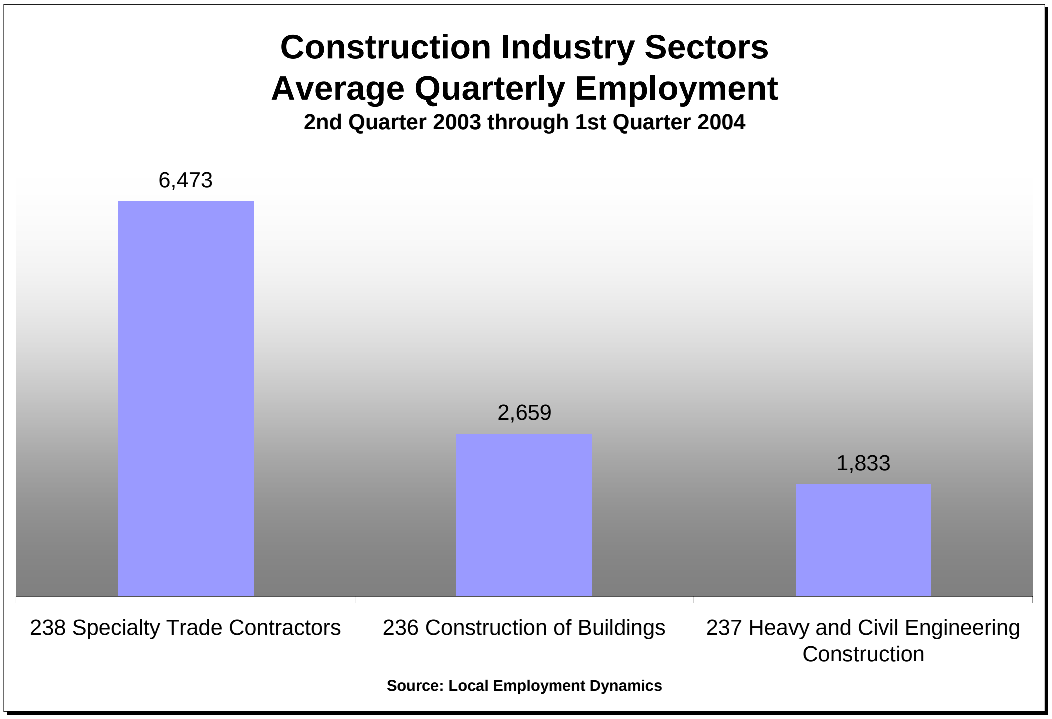
- Affordable housing is needed in many areas so that the workforce can live closer to potential jobs.
- Waiting lists for RN training are typical indicating there are training capacity issues.
- Need to provide help in transferring skills (could help fill healthcare shortages). There are opportunities for such transfers if they are recognized.
- Making schools part of the supply chain is a crucial step in being able to meet the anticipated demand for healthcare workers.
- CNA recruiting competes with hospitality industry and other low wage jobs.
- RNs are more business managers more than care givers in today's workplace. This is different from what many who go into the profession expect and the lack of awareness of what the job often actually entails leads to high turnover.

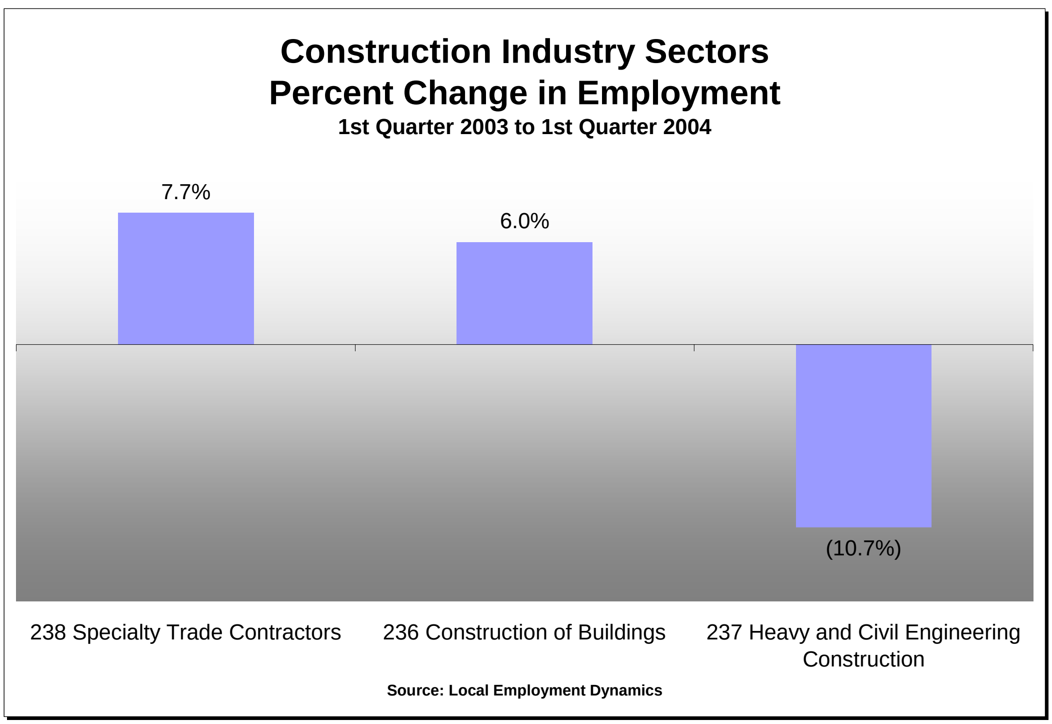
Construction

LED and other data






Construction Industry Sectors
Average Quarterly Employment
2nd Quarter 2003 through 1st Quarter 2004
6,473
2,659
1,833
238 Specialty Trade Contractors
236 Construction of Buildings
237 Heavy and Civil Engineering Construction
Source: Local Employment Dynamics

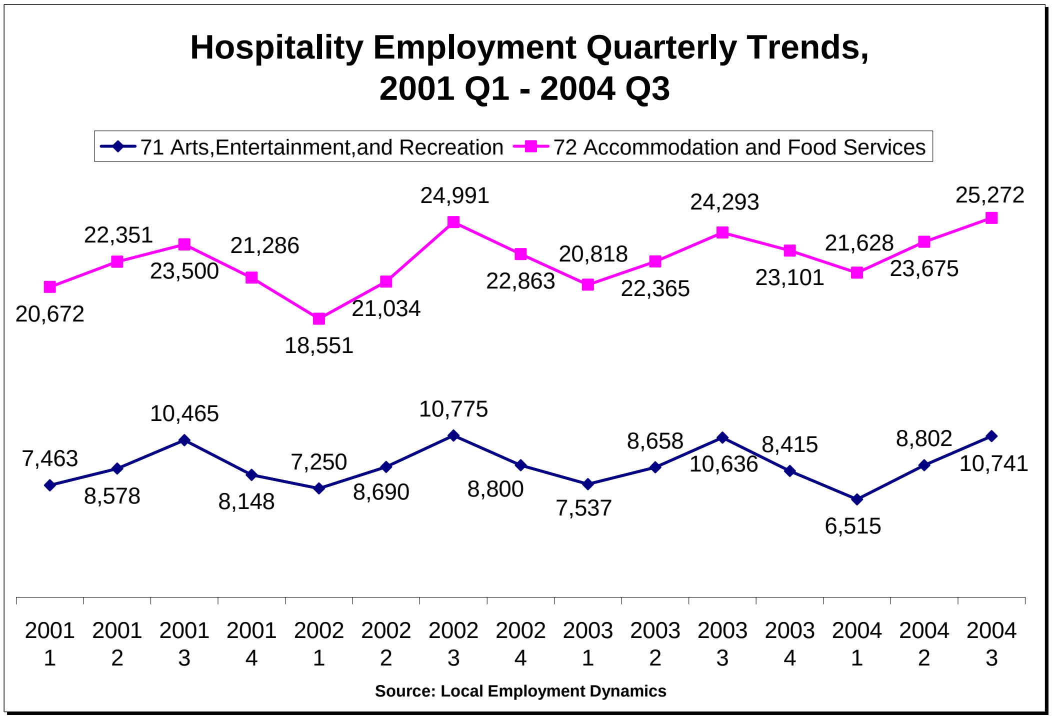

Construction Industry Sectors
Percent Change in Employment
1st Quarter 2003 to 1st Quarter 2004
7.7%
6.0%
(10.7%)
238 Specialty Trade Contractors
236 Construction of Buildings
237 Heavy and Civil Engineering Construction
Source: Local Employment Dynamics

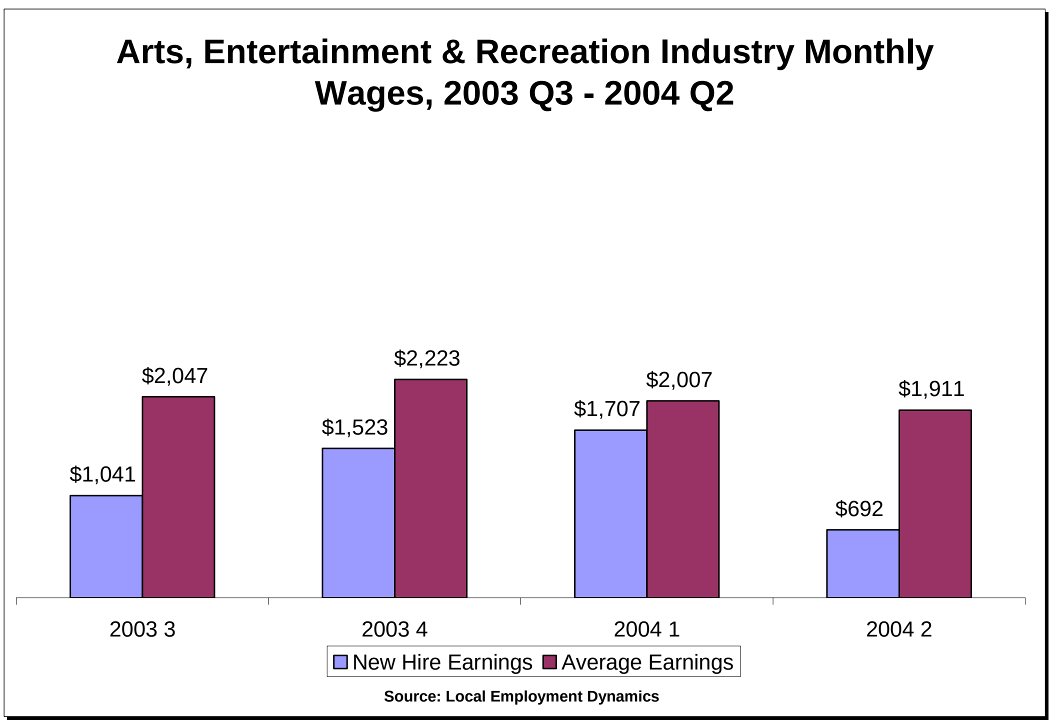
Construction focus group feedback

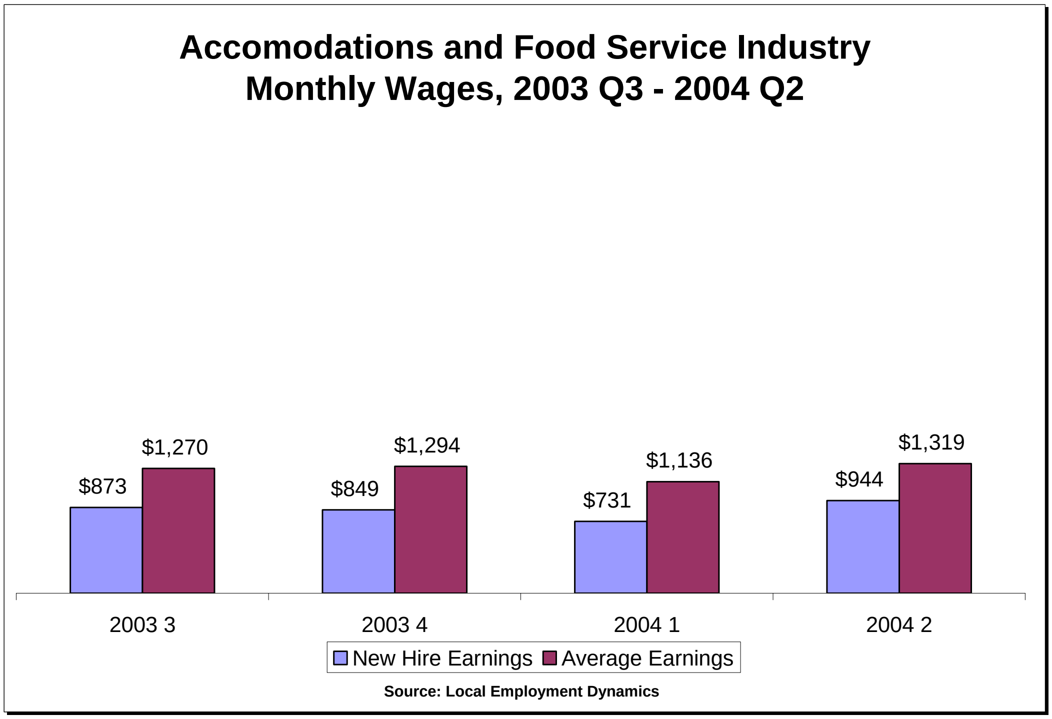
- Schools do not encourage trade schools, they push college instead – focus is on passing SOLs; there is not a lot of opportunity for vocational exploration.
- The construction industry needs to promote itself better, especially to youth.
- An internal need is to provide better benefits and working conditions.
- Lack of individuals interested in doing this kind of work is evident. It is physically taxing labor.
- The Hispanic community is a good source of applicants, but challenges with legal status and communication are significant.
- Young workers over display a different work ethic. Societal changes have lead to a lack of loyalty from young workers.
- Low unemployment rates mean there's just not enough workers to support the work. Companies are recruiting from places well outside the area and often outside the state.
- The industry doesn't do a good job of cultivating middle managers – smaller companies don't have the time or money but there is a clear need.
- Drug testing is required by insurance companies and it screens out many applicants. Drug issues also raise concerns about safety. 2 out of 5 applicants tested will fail.
- Competition is fierce, so pay is generally the same between union and non-union jobs.

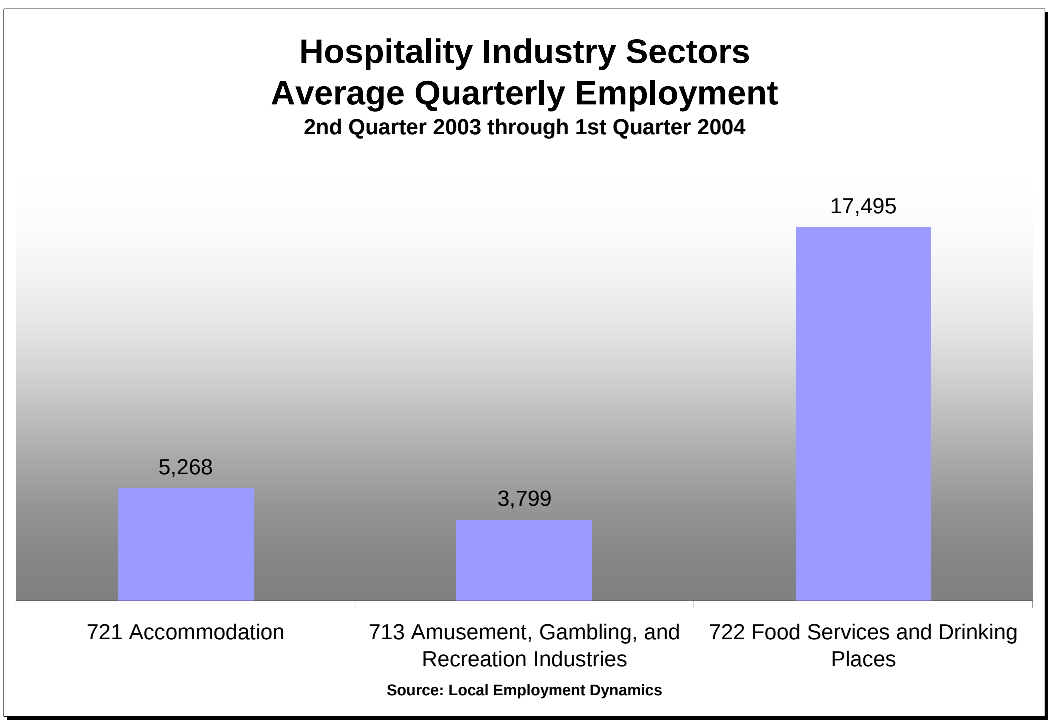
Hospitality and Tourism

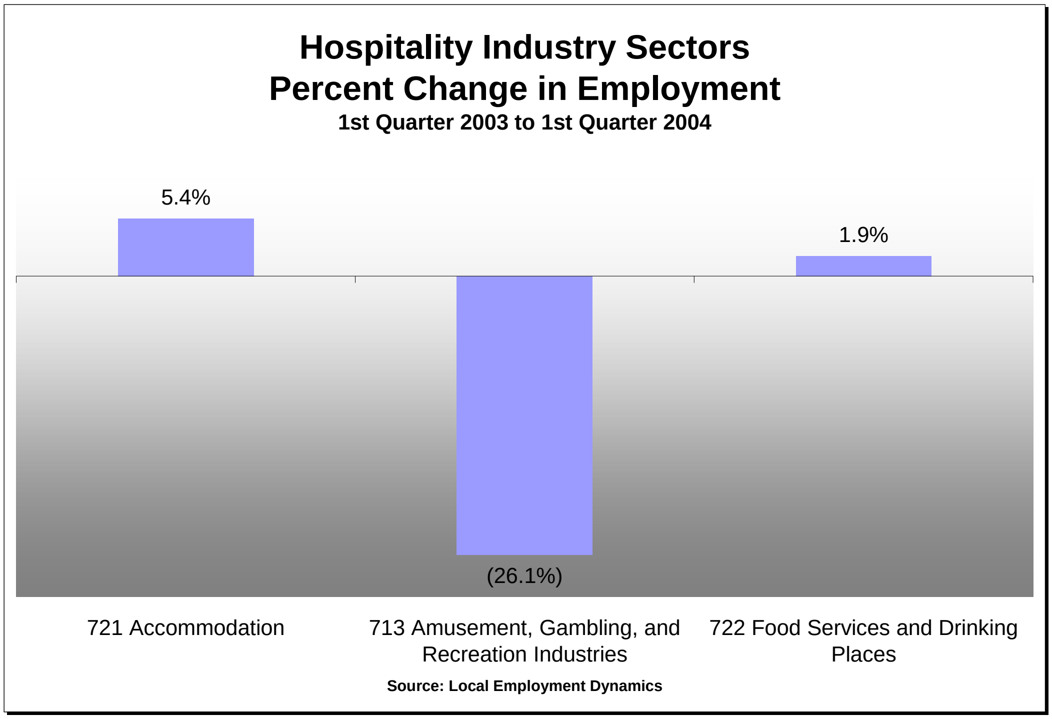
LED and other data



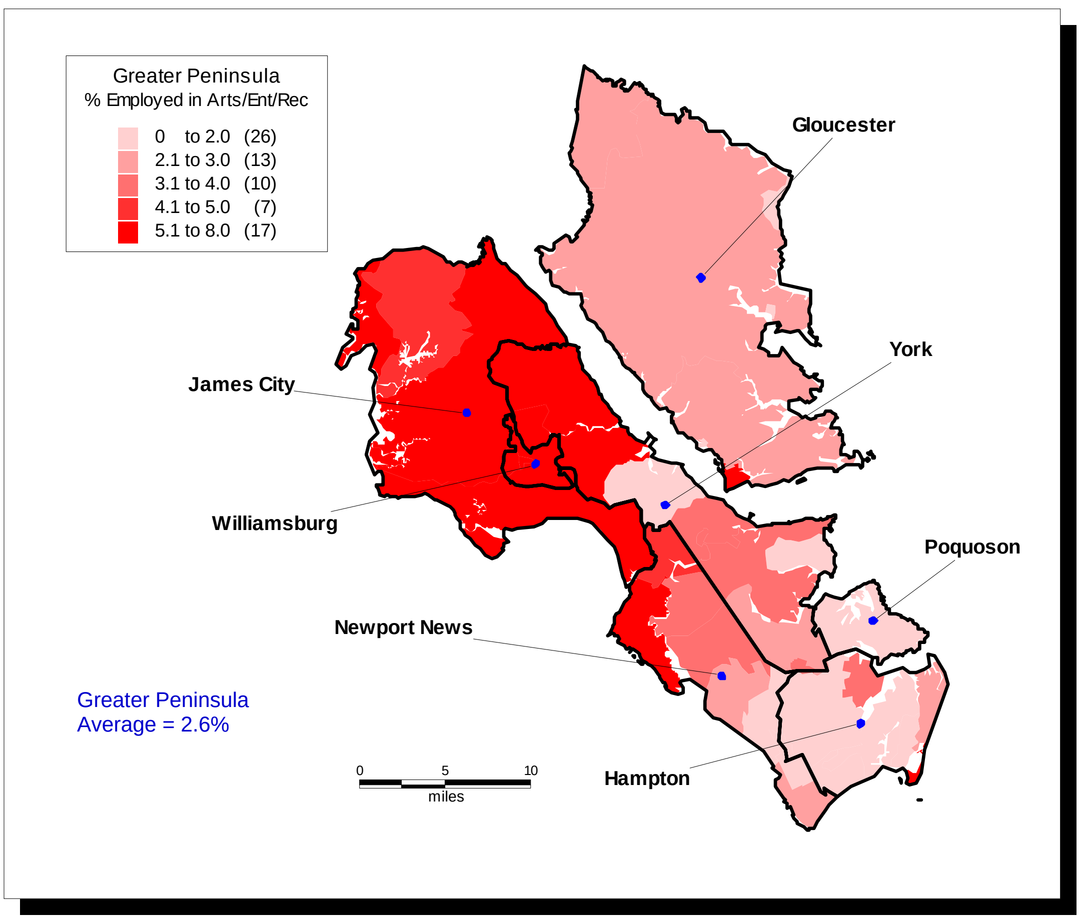



Accomodations and Food Service Industry
Monthly Wages, 2003 Q3 - 2004 Q2
$873
$1,270
$849
$1,294
$731
$1,136
$944
$1,319
2003 3
2003 4
2004 1
2004 2
New Hire Earnings
Average Earnings
Source: Local Employment Dynamics

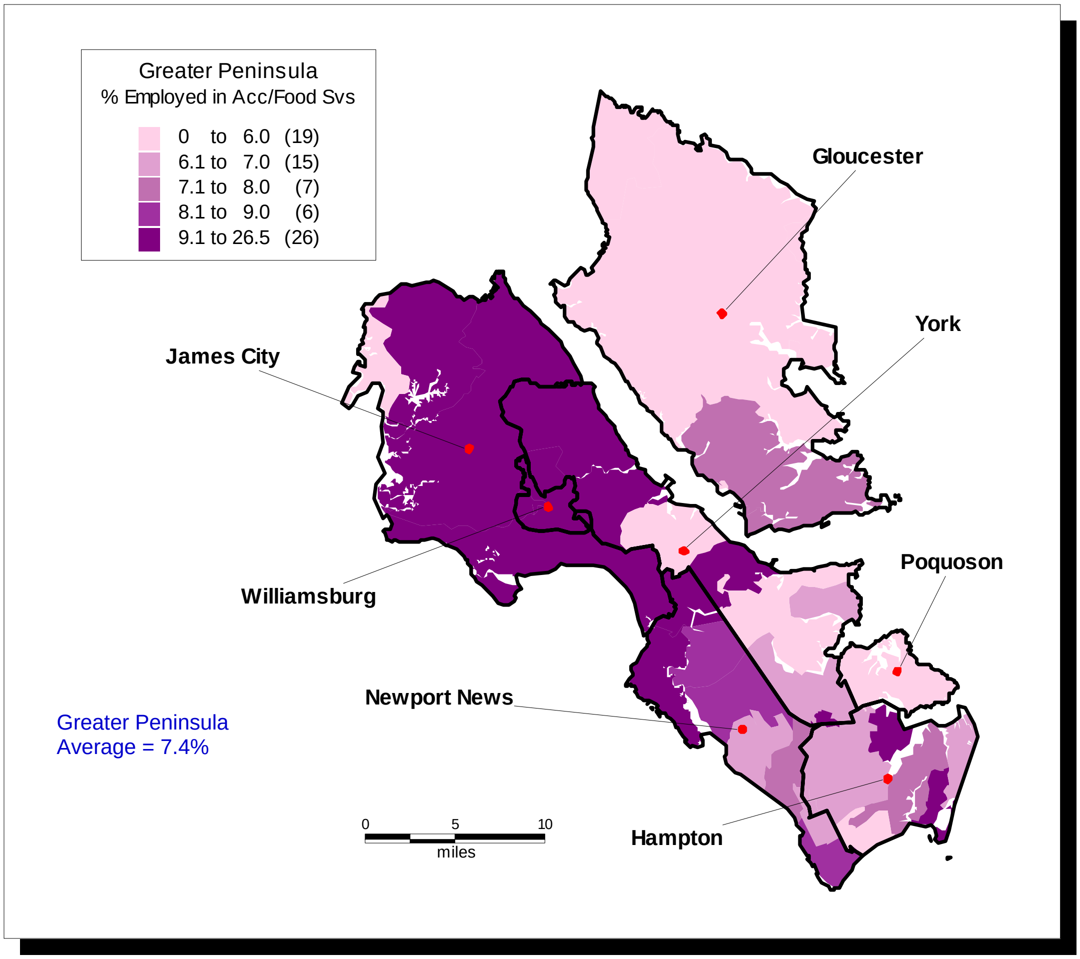

Hospitality Industry Sectors
Average Quarterly Employment
2nd Quarter 2003 through 1st Quarter 2004
5,268
3,799
17,495
721 Accommodation
713 Amusement, Gambling, and Recreation Industries
722 Food Services and Drinking Places
Source: Local Employment Dynamics



Hospitality Industry Sectors
Percent Change in Employment
1st Quarter 2003 to 1st Quarter 2004
5.4%
(26.1%)
1.9%
721 Accommodation
713 Amusement, Gambling, and Recreation Industries
722 Food Services and Drinking Places
Source: Local Employment Dynamics



Greater Peninsula
% Employed in Arts/Ent/Rec
0 to 2.0 (26)
2.1 to 3.0 (13)
3.1 to 4.0 (10)
4.1 to 5.0 (7)
5.1 to 8.0 (17)
Gloucester
York
James City
Williamsburg
Poquoson
Newport News
Hampton
Greater Peninsula
Average = 2.6%
0
5
10
miles



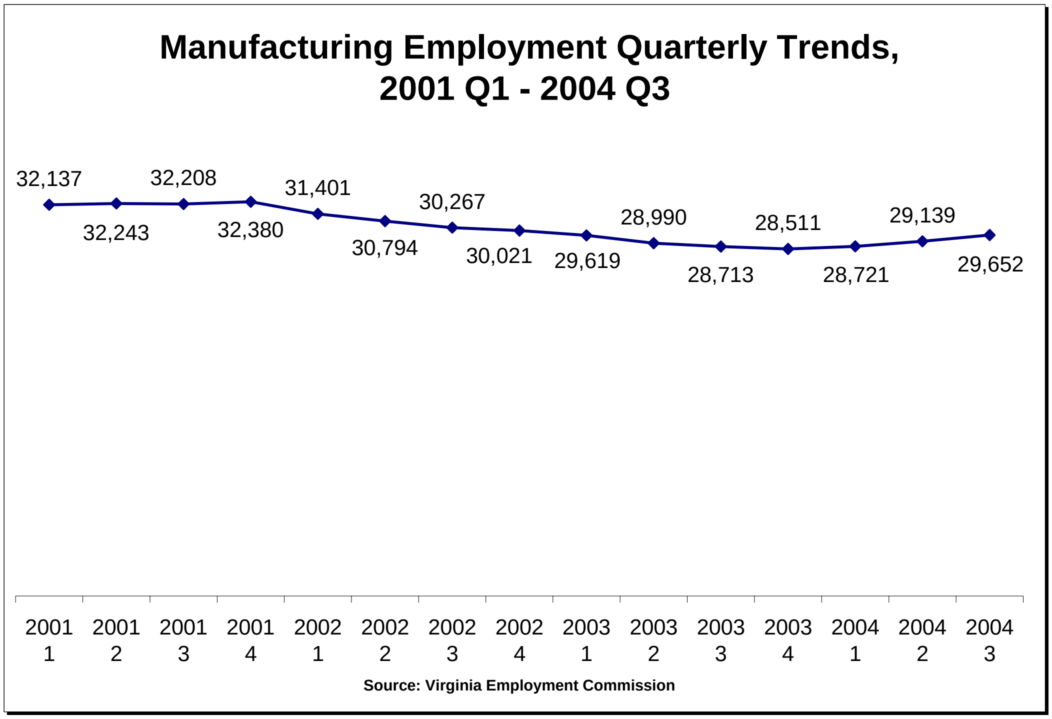
Hospitality focus group feedback/themes

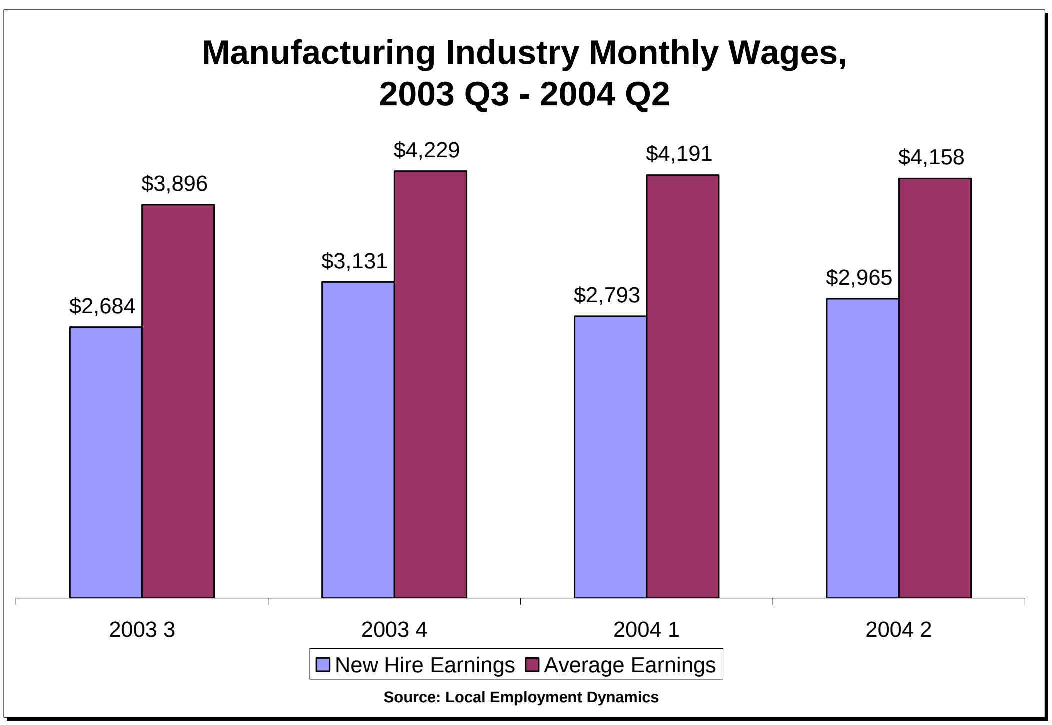
- There is pressure to find entry level workers. The service sector is growing overall creating a tight labor market for employers looking for entry level workers.
- There is concern about the quality of entry level skills. There is a general need for customer service training and basic work ethic development – people need to know they must come to work and come on time.
- Pay scales in this industry are low ranging from minimum wage to about $9/hr; there are differentials for longevity.
- The competition for workers is intense. Thus screening is streamlined – the sentiment among recruiters is - get them that day or they will go somewhere else.
- The industry attracts a wide range of age groups – high schoolers to retirees.
- Some employer use program to employ foreign temporary workers. This fluctuates as shortages ebb and flow.
- Social service referrals have not been productive. These referrals typically don't have the customer service skills needed and don't stay on the job long.

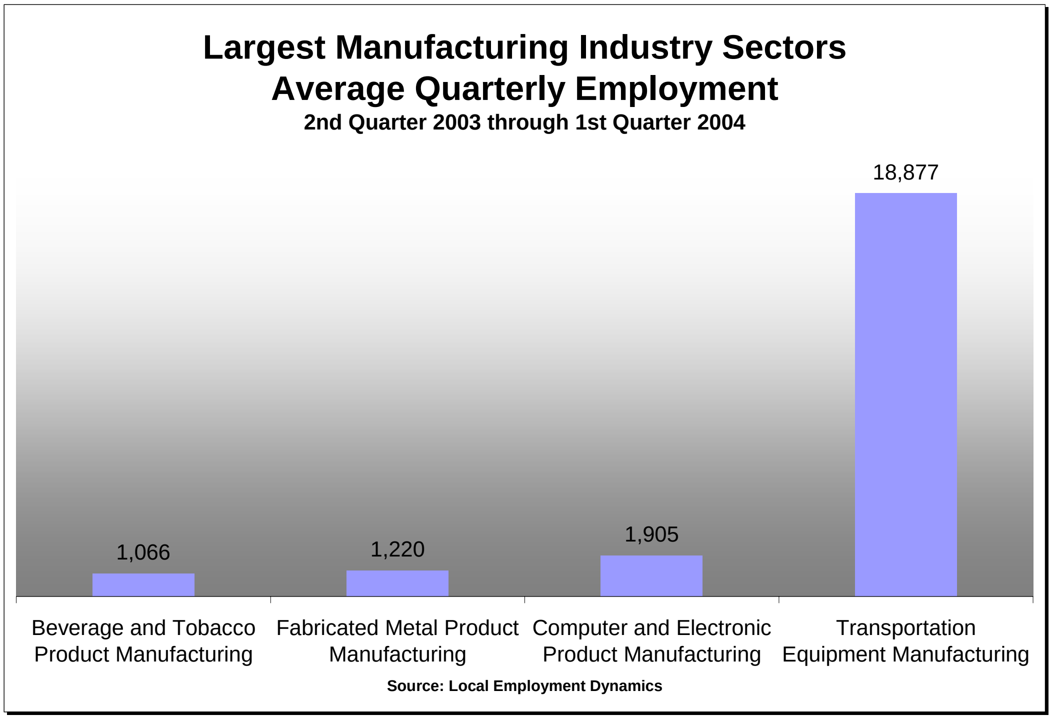
- The industry has tried transportation supports in the past – right now employees are on their own to get to and from work.
- The lack of an adequate labor pool impedes operations resulting in lower service levels and closed rides for example.
- Colonial Williamsburg offers free tuition to Thomas Nelson as a benefit – Busch Gardens offers $500 in tuition support.
- The key middle management skill the industry seeks is leadership and experience in the field.
- Career awareness is lacking – there are good opportunities in hospitality but they are not known.
- Transportation and affordable housing are big bars to recruitment.

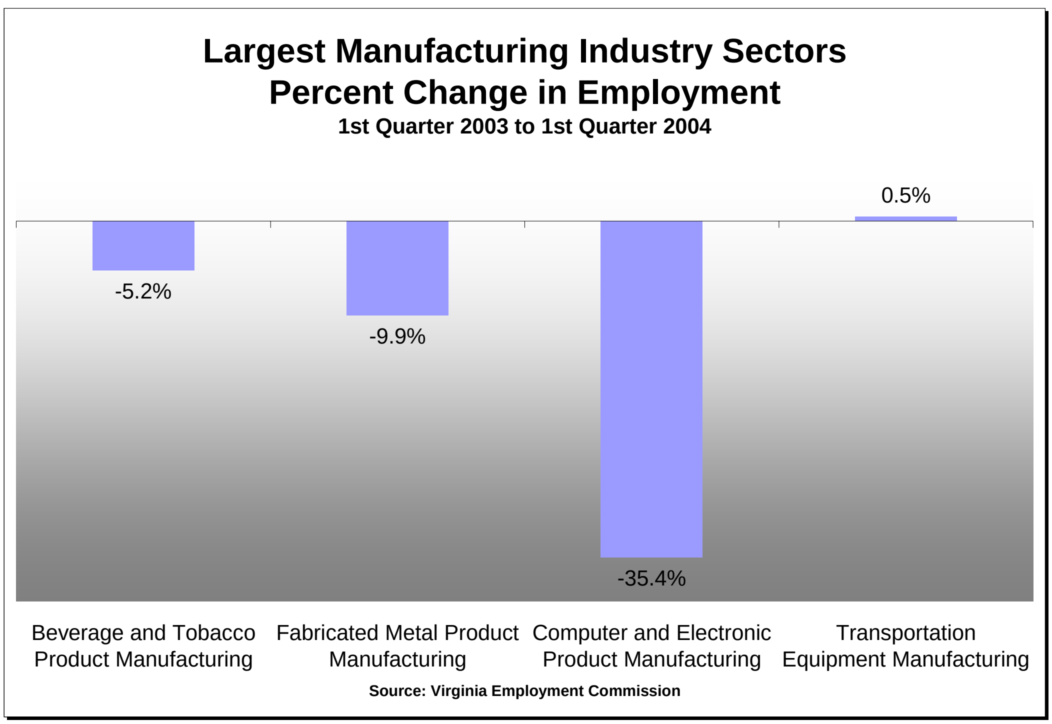
Advanced Manufacturing

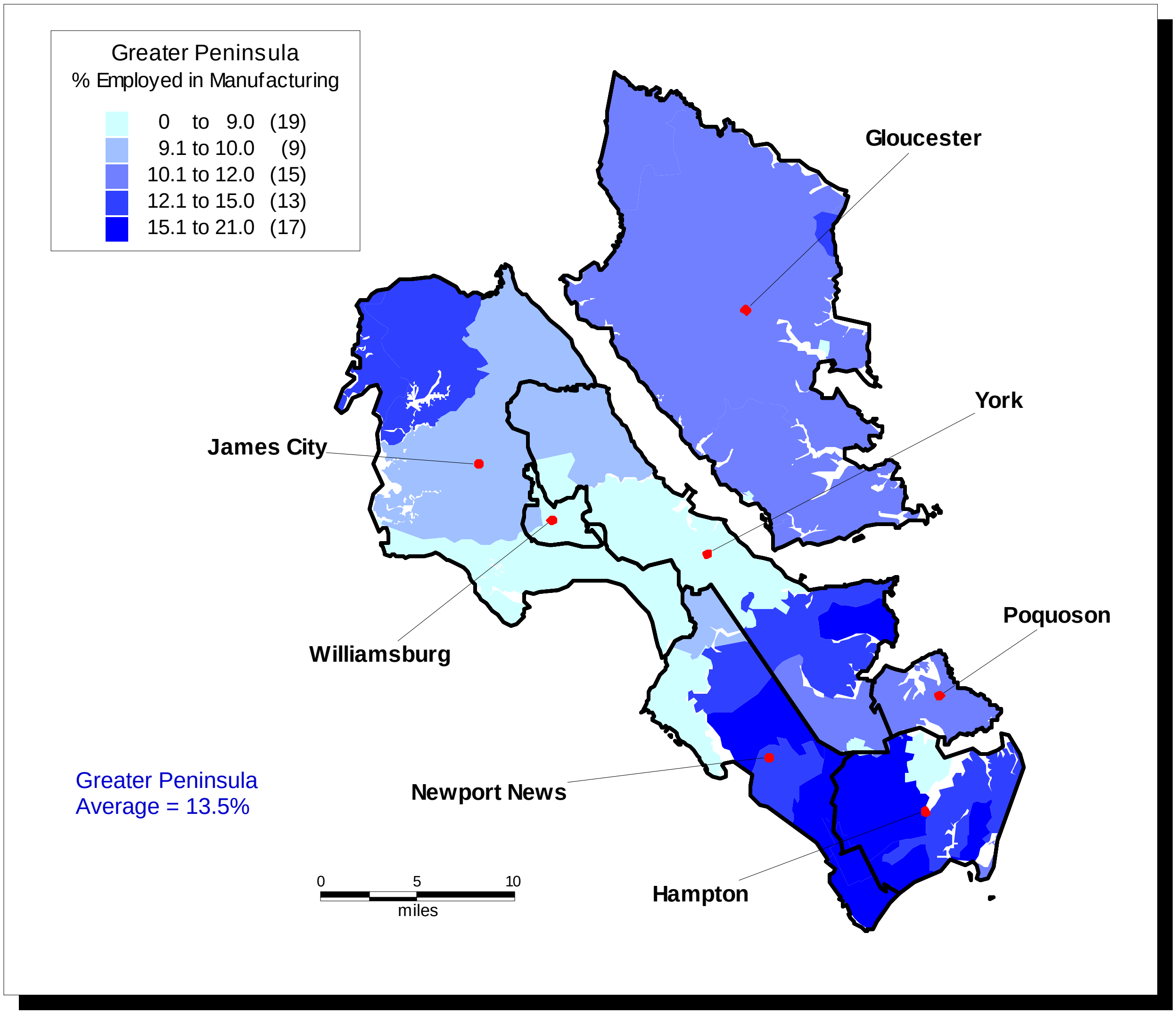
LED and other data






Largest Manufacturing Industry Sectors
Average Quarterly Employment
2nd Quarter 2003 through 1st Quarter 2004
18,877
1,066
1,220
1,905
Beverage and Tobacco Product Manufacturing
Fabricated Metal Product Manufacturing
Computer and Electronic Product Manufacturing
Transportation Equipment Manufacturing
Source: Local Employment Dynamics


Largest Manufacturing Industry Sectors
Percent Change in Employment
1st Quarter 2003 to 1st Quarter 2004
0.5%
-5.2%
-9.9%
-35.4%
Beverage and Tobacco Product Manufacturing
Fabricated Metal Product Manufacturing
Computer and Electronic Product Manufacturing
Transportation Equipment Manufacturing
Source: Virginia Employment Commission



Advanced manufacturing focus group feedback

Note: these issues emerged from one-on-one discussions with two large employers and general input from the manufacturing lead at Thomas Nelson Community College.

- The region is heavily dependent on the defense industry and tends to have a few large employers who dominate the region.
- Large employers offer more attractive wages and fringe benefits than smaller companies. Smaller manufacturers are often suppliers to the larger firms.
- While there have been some closures and lay-offs in the past, the manufacturing sector is strong and projected to grow.
- Large companies do careful screening using Work Keys or other testing tools to find the right mix of basic skills, work ethic, and compatibility with working in a manufacturing environment that is often physically demanding and often shift work.

- Labor shortages exist for some companies; typically the large ones with better pay and benefits have a good applicant pool and can be selective. They try hard to find the right match before hiring so that turnover stays low.
- The aging workforce is a concern for all. The state of the overall economy could have an impact on how soon people depart – if markets go up, there could be an exodus that would create big gaps in overall numbers and in many special skill areas.
- There is general concern that career awareness is not promoted in the schools. The community college system is creating career coach positions in the high schools to focus on the non-college bound population.
- In general the region has a good labor pool with only small pockets of people who cannot compete at any level.
- Larger companies typically look for applicants that have experience. There is a sense that companies compete and "steal" from each other for good workers. Recruitment for workers extends throughout the Mid-Atlantic states and into Ohio.

Section 4: About the Peninsula Council for Workforce Development and Greater Peninsula Workforce Investment Board

Peninsula Council for Workforce Development

The Peninsula Council for Workforce Development is an integral partner in the region's workforce development system. The Council, formerly named the Peninsula Alliance for Economic Development, is a 501(c)(6) non-profit regional economic development organization focused on workforce development and business financing. The organization has a 14-member executive committee comprised of seven representatives from the private business community, four city mayors and the three county board of supervisors' chairpersons.

The Council's initial primary charge was to develop a regional "business driven" workforce development system. Its initial strategy was to identify employer workforce development needs through the establishment of industry cluster groups of Peninsula based employers and to implement regional solutions to these identified needs by working with related training/education providers. The Council also initially served the role of "strategic planning advisor" to the Workforce Investment Board (Board). The Council currently serves as administrative staff to the Workforce Investment Board and its committees. Additionally, the Council also nominates the private sector candidates for the Workforce Investment Board to the Greater Peninsula Workforce Development Consortium (Consortium).

Since 1999, the Council has made many contributions to the workforce development system such as conducting a labor market survey of over 9,000 businesses, and operation of over 6 employer cluster groups resulting in over 100 new workforce development initiatives over the past 5 years. Significantly, the majority of the new initiatives were designed to be funded by private sector investments and or private sector funding leveraged with WIA funds. Examples include an estimated excess of $100,000 funding of the construction cluster members in the Pre-Apprenticeship Trades program and an estimated $100,000 of non-WIA funding towards youth development programs.

A selected listing of many of our achievements/recognition over the past year includes:

- Conducted several youth initiatives in partnership with Opportunity, Inc and WTKR Channel 3. These included a regional Career fair attended by over 3,500 individuals and over 20 employers, the production of several shows (currently showing) on "hot careers," and 30 second commercial spots to raise awareness about the One-Stop Career Centers. The program also produced and delivered CDs on job opportunities to high school guidance counselors.
- Completed two sessions for CNA classes (partnership with Healthcare cluster members and New Horizons).

- Completed three sessions for Pre-Apprenticeship Construction Trades classes (partnership with Construction cluster members and New Horizons)
- Created and coordinated a Financial Services Academy with seven subject areas for high school students (partnership with Financial Services cluster members and Menchville High school)
- Held seven customer service training sessions (partnership with Hospitality cluster members and various training providers).
- Facilitated and organized the "framework" for the upcoming pilot of the "Real World Initiative," a program designed to improve the career readiness of high school students.
- Contributed articles to Employment Weekly magazine (partnership with Opportunity Inc. and Inside Business).
- Coordinated with outside consultant to produce for the first time a Greater Peninsula "State of the Workforce" Report.

System wide recognition and awards with our many partners include:

- The Greater Peninsula WIB was the only local board in the state to receive an unconditional approval of its PY '04 Strategic and Action Plans by the Special Advisor to the Governor for Workforce Services.
- The Peninsula Workforce Development Center was fully certified in accordance with Tier I Standards set by the Virginia Workforce Council and was recognized by the Virginia Workforce Council at its March 2005 Meeting.
- Board Members, and Consortium and Council Staff have received invitations from the Department of Labor and the National Association of Workforce Boards to make presentations on successful local efforts to create a demand-driven One-Stop service delivery system at recent national conferences held throughout the country.
- The Consortium, on behalf of the Board and its Manufacturing Pipeline Partners was one of seven local applicants, selected from across the country as a "Demand-Driven Incubator Site" and awarded a $75,000 grant by the Department of Labor/Employment and Training Administration, the National Association of State Workforce Agencies, and the National Association of Workforce Boards (NAWB).
- The Board and the Consortium received a Special Achievement Award for Building Innovative Strategic Partnerships by NAWB at its 2005 Annual Conference.
- The Board and the Consortium used $70,000 received from the Virginia Workforce Council for superior performance to support TNCC's Manufacturing Pipeline Project, which in turn lead to the $75,000 Demand-Driven Incubator Site Award from the NAWB, which in turn lead to a $1.965 million dollar award from the Department of Labor's Business Relations Group to the Board on behalf of

TNCC, to expand and replicate the project throughout southeastern Virginia. The Consortium is serving as the grant recipient for this grant.

Greater Peninsula Workforce Investment Board

As previously stated, the Council also serves as administrative staff for the Workforce Investment Board. In addition to its mandated WIA duties, the Board has the central role of providing leadership and direction on local strategic workforce issues, identifying local needs and developing strategies to address those needs. Its purpose in this regard is to ensure that local employers can become and remain competitive by having access to a highly skilled and well educated labor pool and that individual job seekers and workers can attain the skills necessary for employment or better employment.

To accomplish these ends, the Greater Peninsula's Board has adopted a broad perspective of what constitutes or defines workforce development. Likewise, it has engaged the services of the Corporation for a Skilled Workforce (CSW), which is a highly regarded consulting firm with considerable experience in this field, to help it effectively organize and employ its resources. This assistance has proven to be extremely beneficial and has helped the Board to put in place strategic and action plans to accomplish the following goals:

- Meet the workforce needs of employers in the Greater Peninsula Region (primary emphasis placed on the Manufacturing, Construction Trades, Health Care, and Hospitality/Tourism Industries);
- Increase the supply of qualified, skilled workers;
- Strengthen and support the region's economic development strategies; and
- Improve access to information and services for all citizens and employers within LWIA #14.

To achieve these goals the Board has mobilized its subcommittees to undertake the following important initiatives:

- Prepare a Greater Peninsula "State of the Workforce" Report;
- Develop plans for a new labor market survey;
- Initiate pilot efforts to implement the Youth "Real World Initiative";
- Develop a quarterly newsletter publication;
- Develop a marketing campaign to increase the number of small and medium/large employers interested and involved in WIB sponsored workforce development activities; and
- Develop and maintain an active, updated Board website.

As noted above, all of the Board's work is carried out through one of its eight subcommittees (Executive, Strategic Planning, Education & Training, One-Stop, Outcomes and Evaluation, Joint Finance, Communications, and Board Recruitment &

Development). The membership of these subcommittees include representatives from the business community, education, community based organizations and local/state government. All of the subcommittees are lead by one of the Board's private sector members which make up a majority of the Board's total membership (51%).

Recommendations/ Strategic Areas for WIB Emphasis

Note that these are either general areas or cluster specific but may fall into both categories; to the extent possible they are identified as either a general issue or a cluster specific issue.

- **For all clusters, expand their areas of purview beyond advising on WIA training.** – Currently healthcare and construction give input on WIA training. In all four clusters, there is great potential to use the already formed entities to look at broader training and workforce issues that cut across employers such as common recruitment problems and how the cluster can benefit from joining in the broader career awareness efforts underway and to be expanded. Build career ladders in healthcare, especially focus on missing link between CNAs and higher skill healthcare jobs.
- **The Greater Peninsula Region is heavily dependent on jobs that do not require a four year degree.** In many cases, these jobs provide good, family sustaining wages and have long-term viability in the local economy. Employers have current shortages in key occupations and project more severe shortages in the future. While there are programs to prepare people for these shortage occupations, one bar to filling them is lack of awareness of the potential that exists for students who enter these programs. There are current career awareness efforts underway from various sources within the region. The WIB can serve a much needed convening role of bringing these together and establishing new approaches and setting goals for the efforts. Essentially, this would mean making career awareness a campaign with multiple parts, defined objectives, and coordinated efforts. This strategy could cover multiple clusters.
- **Feedback from a very small sample of employers who participated in the focus groups generally indicated either little knowledge of the One-Stop system or a negative impression.** There are clearly not enough data points to draw conclusions from this sample. The WIB should consider a simple but broader survey (can be done with layman tools for low cost) of employers use and perceptions. This can help target the marketing campaign already underway and can help shape the WIB's oversight role of the One-Stop system. The WIB should be looking at aligning the outputs of the One-Stop with its strategic objectives and setting cross cutting goals for the system that give clear direction on how the system can support the WIB's emerging strategic agenda. The WIB may consider a formal assessment of the One-Stop system to help in this process.
- **There is pressure on the local labor market at many levels in terms of availability of labor.** This issue spans the skill spectrum. In order to help meet employer needs, the WIB should explore multiple avenues of support – not as the funding entity but as the convener – to discuss how to:

- ♦ Tap into the pool of under-utilized potential labor market participants including those who have significant barriers to employment, those with physical or mental challenges, those with histories with the criminal justice system that impede their labor market progress, and those with limited work histories who have not participated in the past and are served by social service agencies.
- ♦ Explore the potential of transportation supports particularly for low wage workers who anecdotally are impacted by rising gas prices and will look for work only within a limited radius of where they live. This exploration should include the potential for public transportation expansion and other supports such as van pools. This will becomes increasingly important as employers surface their needs and when these needs become severe enough to warrant collective action.
- ♦ Explore the potential for childcare support – deeper study is needed to establish whether employers are willing to support collective efforts to alleviate worker shortages.
- ♦ Explore the potential for joint employer support of generic customer service training and certification. This cuts across many industry sectors in the region and is a clear way of dealing with work ethic and attitude issues. The WIB can be the convener for how to expand needed activity and where the resources can be leveraged to make it happen.
- ♦ More so than most regions Work Keys is the dominant assessment tool for employers in the region – particularly in the manufacturing sector. The WIB can be the focal point for how to use this system to jump start credentialing processes and to coordinate the many efforts in the region that currently are Work Keys based so that there is the potential to use the system to cross walk skills from one occupation or cluster to another where there is a good match for new career opportunities. Clearly this has implications for building career ladders and lattices (discussed below).

➢ **There are emerging efforts to build a stronger truly high tech, research oriented base in the region such as the proposed William and Mary bio/math integration and business accelerator project.** There are other examples as well. Such efforts have the potential of creating new wealth generators for the region that are innovation based and can compete with the best in the world. The WIB can be the promoter, convener, table where such efforts are connected, tracked, publicized, and celebrated. Many high tech jobs can grow from this effort.

➢ **Support for an entrepreneurial agenda within the region that creates multiple support structures** – in many cases, building on existing efforts – to help new businesses get started and new business owners get off the ground.

➢ **Healthcare**

- ♦ There is an apparent waiting list for those who want to get trained in the healthcare field. The need for healthcare workers is clear and will be there in the future. The WIB can document the training capacity issues and become the place where solving this problem gets attention.

- ♦ Specific career awareness is needed for RNs about the nature of the work so that those entering it are clear on what the expectations will be – in hospitals where the pay is the best, the job is more a business manager that a direct caregiver.
- ♦ Healthcare providers can gain much from collective discussions about training and labor force issues. The WIB can strengthen its cluster support to expand the topics and set a regional agenda for healthcare with good objectives and measures of success.
- ♦ The career ladders for healthcare are often focused on LPN and above. The industry relies heavily on CNAs for much of the work yet CNAs are viewed as a disposable commodity with healthcare providers competing with fast food and retail for workers in this occupation. How to develop bridge programs that fill a greater portion of the need and create incentives for staying is a critical issue that the WIB can help surface and solve.

➢ **Construction**

- ♦ While this issue is tied to general career awareness issue, the benefits from career awareness appear to be most useful to this industry. Connecting the industry to the schools and to the guidance systems is a potential WIB role. Further promoting apprenticeship training is linked to the career awareness efforts.
- ♦ Again, while a general issue, addressing the rising immigrant and specifically the increasing non-English speaking population needs is vital to this industry. The WIB can be the strategic partner that organizes this discussion and examines the availability of both ESL and Spanish language instruction for supervisors.
- ♦ A gap appears to exist in the preparation of middle managers in the construction sector. The WIB can use the cluster as the table where this is examined and solutions developed.

➢ **Hospitality and Tourism**

- ♦ More than the other clusters, hospitality and tourism is showing signs of a worker shortage at the low skill levels. Addressing the generic issues mentioned about customer training, transportation, and worker certification will directly impact this industry.

➢ **Advanced Manufacturing**

- ♦ All manufacturing in the region is considered advanced manufacturing for this study's purposes. Virtually all regional manufacturing employers use technology in their processes and are reliant on a skilled workforce to produce products.
- ♦ The potential for good paying jobs in what is projected to be a growing sector in the regional economy is clear. Building the career awareness effort is vital to this industry.

- There is demand for many skilled jobs and there is a looming labor shortage with an aging workforce and projected expansions. The WIB can be the connector that brings the manufacturing sector closer to the school system and school leadership to promote career awareness and the potential return for entering these fields.