

McDowell County, North Carolina

Strategic Employment Plan Initiative

November 2018

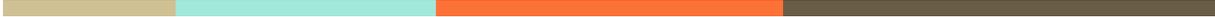




Strategic Employment Plan Initiative

Table of Contents

- I. Executive Summary
- II. Terms and Definitions
- III. Introduction
 - A. Workforce Participation Charts
- IV. Methodology
- V. Introduction to Workforce Snapshots and Demographic Profiles
 - A. Survey and Report Descriptions
 - B. Identification of “Aggregate Groups” of Nonparticipants and the Underemployed
 - C. McDowell County Workforce Snapshots
 - D. Demographic Profiles
- VI. Analysis of Interactions of Nonparticipants and the Underemployed with Community Agencies/Organizations
 - A. Individual Interview Results
 - B. Focus Group Result
 - C. Employer Survey Results
- VII. Key Findings
- VIII. Recommendations
- IX. References
- X. Appendix



McDowell County Strategic Employment Plan Initiative (SEPI)

EXECUTIVE SUMMARY

Background

In fall 2017, representatives from the McDowell Economic Development Association (MEDA) and the Region C Workforce Development Board met to discuss the employment needs of McDowell County. MEDA serves as the economic development organization for McDowell County, and engages regularly with existing industry partners in the county, as well as working with industry clients looking to move to McDowell County. The Region C WDB represents the counties of McDowell, Polk, Rutherford, and Cleveland, and works to meet the employment and training needs of both industry and the local workforce.

By the fall of 2017, McDowell County was experiencing an employment crisis, resulting from record low unemployment numbers coupled with continued high industry demand for workers. With existing employers seeking to expand operations and new business expressing interest in the county, MEDA and the Region C WDB determined that it was vital to obtain or develop a more in-depth understanding and analysis of the existing McDowell County workforce.

McDowell County Economy and Workforce

McDowell County has a strong workforce partnership, consisting of not only MEDA and the Region C WDB, but also regional industry (primarily manufacturing and healthcare), McDowell Technical Community College, and the McDowell County School System. In recent years this broad partnership has worked closely and diligently to meet the career and employment needs of industry, the local workforce, and students across multiple grade levels. Some of the successes of this county-wide partnership include:

- The 50,000 sq. ft. Universal Advanced Manufacturing Center
- The award-winning McDowell County Workforce Pipeline Committee
- McDowell County Recognized as an ACT Work Ready Community
- Multiple Middle and High School programs designed to connect students with industry

Starting with this initial strong baseline, MEDA and the Region C WDB realized the next step was to take an initial snapshot of the county's total workforce in relation to the county's total population. This assessment would determine how many people in McDowell were active participants in the workforce ecosystem of the county. Of a total population of 44,743, only 20,948 (46.8%) of the county were counted as "in the workforce." Two overarching thoughts resulted from this analysis: (1) while many of the remaining 23,795 (53.2%) people are not in the workforce for legitimate reasons, there is likely a significant percentage of those people who could or should be in the workforce and need to be reached, and; (2) of the population currently counted in the workforce, there are likely a significant

percentage of people who are underemployed and wish to work more. The questions raised were: how do we identify these two groups of people, and how do we get them more fully engaged in McDowell's workforce?

Strategic Employment Plan Initiative

MEDA and the Region C WDB decided to engage a part-time consultant in January 2018 to try to answer these important questions and to develop a McDowell Strategic Employment Plan Initiative. After a nationwide search was conducted to see if such a workforce analysis had been conducted that could be used as a reference or model was unsuccessful, the decision was made to move forward. The full results of this endeavor, and the methodology used to complete it, can be found in the pages herein. Below are the major statistical findings and recommendations.

Major Statistical Findings

- 7,299 individuals over the age of 64 are not participating in the workforce
- 4,328 (estimated) individuals ages 25-64 are not participating in the local workforce
- 1,688 individuals between 25 and 64 do not work due to home responsibilities
- 1,255 individuals are not in the workforce due to illness or disability
- 657 (estimated) individuals work part time but desire full-time employment
- 715 individuals between 16 and 24 are neither working nor in school
- 2,895 (estimated) individuals work part time by choice
- 1,825 individuals fit the definition of working poor
- 4,884 (estimated) residents work outside of McDowell County

Major Recommendations (by topic and partner)

- Transportation
 - Prepare analysis of county's workforce transportation needs
 - Implement the designated employment & training transportation routes
- Child Care
 - Secure more funding for DSS to accommodate children on the waiting list
 - Explore public-private partnership to provide childcare to employees
- Workforce Migration
 - Create a "Work in McDowell" initiative to promote McDowell County jobs to residents who currently work outside the county and to attract from other counties
- Substance Abuse
 - Increase partnership between the McDowell Health Coalition and the Workforce Pipeline Committee to tackle the serious opioid and substance abuse problem in McDowell County
- McDowell County Schools
 - Increase student awareness of employment opportunities with virtual tours and employer materials
 - Increase parent involvement in employer tours and career fairs
 - Honor and recognize graduates that enter the military or local workforce
 - Make sure all graduates have a resume and instruction on how to complete a job application and proper interview

- Provide interest and aptitude assessments
- Develop marketing strategies to promote non-traditional jobs to both males and females
- Increase knowledge of local employers by incorporating employer information into math and related classes
- McDowell Technical Community College
 - Enhance marketing strategy around training offerings
 - Promote technical programs such as Industrial Systems, Machining, Welding, and HVAC
 - Provide flexible schedules that accommodate 12-hour shift workers
 - Provide HRD pre-hire classes (soft skills) for new hires
- Department of Social Services
 - Develop a legislative agenda that replaces regulatory barriers and incentivizes workforce participation
 - Advocate for Medicaid and food stamp programs to be short term with a focus on transitioning recipients into the workforce
 - Develop a more robust qualifying process while reducing self-reporting
 - Develop stronger partnerships with workforce development programs and hold joint, on-site job fairs
 - Develop an education initiative regarding the availability of vehicle repair assistance
- Senior Center
 - Pursue a “Return to Work” program, which could identify employment opportunities and promote them to the senior population
- Probation and Parole / Court System
 - Establish a process that would explore court-related sentencing and the issue of employment
 - Explore Probation and Parole employment related awareness and incentive program
- NCWorks Career Center
 - Better market the NCWorks Online Candidate Search function to employers
 - Provide more on-site employer visits for front-line center staff to familiarize them and establish better relationships
 - Continue to invite employers to make presentations to center staff
 - Market NCWorks to job candidates as well as employers
- Industry Partners / Employers
 - Develop virtual tours and/or YouTube presentations for company and partner websites
 - Ensure that any employees promoted to supervisory and/or management positions receive appropriate training
 - Maintain notes on reasons for attendance issues, and conduct exit interviews with employees

Next Steps

It is the intent of MEDA and the Region C WDB to continue with this initiative and follow through on the recommendations presented herein. It is the goal of both parties to expand the scope of the project to facilitate regional application in neighboring Polk,



Rutherford and Cleveland counties. The issues of workforce involvement, connecting workers with industry and providing required training to workers will not be going away anytime soon. It is the intent for the McDowell Strategic Employment Plan Initiative to serve as a roadmap and guide for the continued enhancement and expansion of the economy in McDowell County. Ideally, the process followed and initiative undertaken would be used as a model for each county in North Carolina, as many of the issues faced by McDowell County are statewide in nature.

TERMS AND DEFINITIONS

In the SEPI (Strategic Employment Plan Initiative) is included a list of workforce-related terms and their meanings for easy reference. These terms and definitions are from U.S. Census, Bureau of Labor Statistics, and Labor and Economic Analysis Division glossaries unless otherwise noted.

Civilian noninstitutionalized population: Included are persons 16 years of age and older residing in the 50 states and the District of Columbia who do not live in institutions (for example, correctional facilities, long-term care hospitals, and nursing homes) and who are not on active duty in the Armed Forces.

Civilian Labor Force: The total number of age 16+, noninstitutionalized civilians who are working or are actively seeking work and are available for employment. Mathematically, it is the sum of employed plus unemployed.

Labor force: term used to refer collectively to the workers of a country or a region. The labor force, as defined by the Bureau of Labor Statistics, is the civilian, non-institutionalized population aged 16 or above that is either employed, or unemployed but actively seeking employment.

Workforce: used the same way as **labor force**, but also used to refer to the workers of a specific company or industry.

Workforce participant: an individual either employed or unemployed and actively seeking work.

Workforce nonparticipant: an individual who is neither working nor seeking work.

Employed persons: Persons 16 years and older in the civilian noninstitutionalized population who, during the reference week, (a) did any work at all (at least 1 hour) as paid employees; worked in their own business, profession, or on their own farm, or worked 15 hours or more as unpaid workers in an enterprise operated by a member of the family; and (b) all those who were not working but who had jobs or businesses from which they were temporarily absent because of vacation, illness, bad weather, childcare problems, maternity or paternity leave, labor-management dispute, job training, or other family or personal reasons, whether or not they were paid for the time off or were seeking other jobs. Excluded are persons whose only activity consisted of work around their own house (painting, repairing, or own home housework) or volunteer work for religious, charitable, and other organizations.

Unemployed persons: Persons aged 16 years and older who had no employment during the reference week, were available for work, except for temporary illness, and had made specific efforts to find employment sometime during the 4-week period ending with the reference week. Persons who were waiting to be recalled to a job from which they had been laid off need not have been looking for work to be classified as unemployed.

Full-time workers: Persons who work 35 hours or more per week.

Part-time workers: Persons who are working 34 or fewer hours a week.

Not in the workforce: Persons who are neither employed nor unemployed who are not in the labor force. This category includes retired persons, students, those taking care of children or other family members, and others who are neither working nor seeking work

Underemployed workers: Persons in the workforce who are employed at less than full-time hours or regular jobs, or at jobs inadequate with respect to their training or economic needs.

Marginally attached workers: Persons not in the workforce who want and are available for work, and who have looked for a job sometime in the prior 12 months (or since the end of their last job if they held one within the past 12 months) but are not counted as unemployed because they had not searched for work within the most recent 4-week period.

Discouraged workers: Persons not in the labor force who want and are available for a job and who have looked for work sometime in the past 12 months (or since the end of their last job if they held one within the past 12 months), but who are not currently looking because they believe there are no jobs available or there are none for which they would qualify. Discouraged workers are a subset of the marginally attached worker.

Labor force participation rate: The workforce as a percent of the civilian noninstitutionalized population.

Demographics: The characteristics of the population such as age, income, ethnicity, etc.

Mean: The sum of all values of a given list divided by the number of items in the list, also referred to as the average.

Median: The middle value of a distribution of numbers; half the values are above the median and half are below the median.

Urban: Areas of densely developed territory, specifically all territory, population, and housing units in urbanized areas and urban clusters. "Urban" classification cuts across other hierarchies except for census block and can be in metropolitan or non-metropolitan areas. The Census Bureau identifies two types of urban areas: Urbanized Areas (UAs) of 50,000 or more people; and Urban Clusters (UCs) of at least 2,500 and less than 50,000 people.

Rural: Territory, population, and housing units not classified as urban. "Rural" classification cuts across other hierarchies and can be in metropolitan or non-metropolitan areas.

Involuntary part-time workers: These are people who, during at least 1 week of the year, worked fewer than 35 hours because of slack work or business conditions or because they could not find full-time work. The number of weeks of involuntary part-time work is accumulated over the year. **

Working Poor: “ The working poor are people who spent at least 27 weeks in the labor force (that is, working or looking for work) but whose incomes still fell below the official poverty level”.*

*July 2018 Bureau of Labor Statistics report “A Profile of the Working Poor, 2016



INTRODUCTION

“You can’t fix what you don’t understand ...”

Our nation’s labor force participation rate, or the fraction of adults who are either employed or are searching for work, has fallen steadily since 1999. This is a trend that many economists find troubling, as the labor force participation rate is an indicator of household living standards and economic vitality. In 2016, over one-third (37.2 percent) of adults in the United States—including nearly one-fifth (18.7 percent) of prime working age adults (between 25 and 54 years old)—were not in the workforce. The considerable number of adults who are not in the labor force is a puzzle that cannot be fully accounted for by factors like baby boomers aging out of the workforce, women engaged in caregiving, or recent college graduates delaying the responsibilities of adulthood.*

Everyone agrees that workforce development and training is critical to the economic health of the nation, the state of North Carolina, and local communities. McDowell County has made substantial progress addressing this need in the community. The formation of the McDowell County Workforce Pipeline Committee, the opening of the Universal Advanced Manufacturing Center, the implementation of workforce programs in the public school system, and the Workplace Wellness Initiative, have all returned positive results for McDowell County.

However, there continues to be concern over the level of progress and a need for a more comprehensive approach to addressing workforce nonparticipation and underemployment. There is a lack of clear information about those individuals not in the local workforce and those in the workforce but underemployed, and there is currently no comprehensive or coordinated strategy in place to move these individuals into full or better employment.

McDowell County has large manufacturing and healthcare sectors (McDowell is third in the state with 37.5% of the population working in manufacturing**), and a historically low unemployment rate of 3.2% (July 2018). With existing employers seeking to expand operations and new business expressing interest in the County, conversations among County economic development, workforce and industry representatives inevitably include the availability of qualified workers.

After numerous such conversations, it was clear that a more in-depth understanding of McDowell County’s workforce was needed. County and industry representatives and NC Department of Commerce (NCDC) staff, including the Assistant Secretary of Commerce for Workforce Solutions, discussed the possibility of a comprehensive analysis of McDowell County’s non-workforce and workforce. On June 20th, 2017, the Economic Development Commission Director made a presentation to the McDowell County Workforce Pipeline Committee (MCWPC) and to the McDowell Economic Development Association (MEDA) board about implementing a comprehensive SEPI.

Various McDowell County workforce, career development and community services agencies, working through the MCWPC and the MEDA, proposed to partner with the Region C Workforce Development Board to undertake this planning initiative. The SEPI would have as a goal the completion of the first phase of the initiative within a six-month period. It also proposed that the Region C Workforce



Development Board and Isothermal Planning and Development Commission fund and conduct the initiative.

This SEPI is believed to be the first effort to develop a local comprehensive strategic employment plan. Prior to moving forward with the SEPI, a search was conducted to find similar plans that might serve as models for the Initiative. Three examples of strategic employment plans were found: Oakland, California Strategic Plan; Lucas County, Ohio Workforce Development Strategic Plan, and Workforce Strategy, Asbury Park, NJ. These plans, along with other similar plans developed by workforce development boards across the country, do an excellent job of articulating local and regional workforce issues. The uniqueness of the McDowell County SEPI lies in its approach to 1) identifying aggregate groups of nonparticipants and the underemployed; 2) understanding the reasons for local nonparticipation and underemployment; and 3) engaging with County employers, front-line community services staff and other community organizations.

The focus of the SEPI is two-fold: to identify individuals and aggregate groups not participating in the McDowell County workforce and the reasons for nonparticipation, and to identify individuals who may be underemployed. The second focus of the SEPI is to explore strategies to enhance the above identified individuals and “aggregate groups” into more meaningful, productive, and profitable employment.

Research for the SEPI has produced a detailed demographic profile and strategic analysis of the McDowell County population, which identifies aggregate groups of workforce nonparticipants and the underemployed. It has also used input and feedback from employers and community agencies and organizations to ascertain local issues and barriers preventing County residents from attaining and retaining full employment. Based on this research, the SEPI team has prepared a set of key findings, accompanied by recommendations, for increasing local workforce participation, retention, and advancement.

The SEPI is the first step in developing a formalized Strategic Employment Plan for McDowell County that addresses workforce issues in a systematic and comprehensive manner. This plan might also serve as a template for a regional or even statewide strategic employment plan initiative.

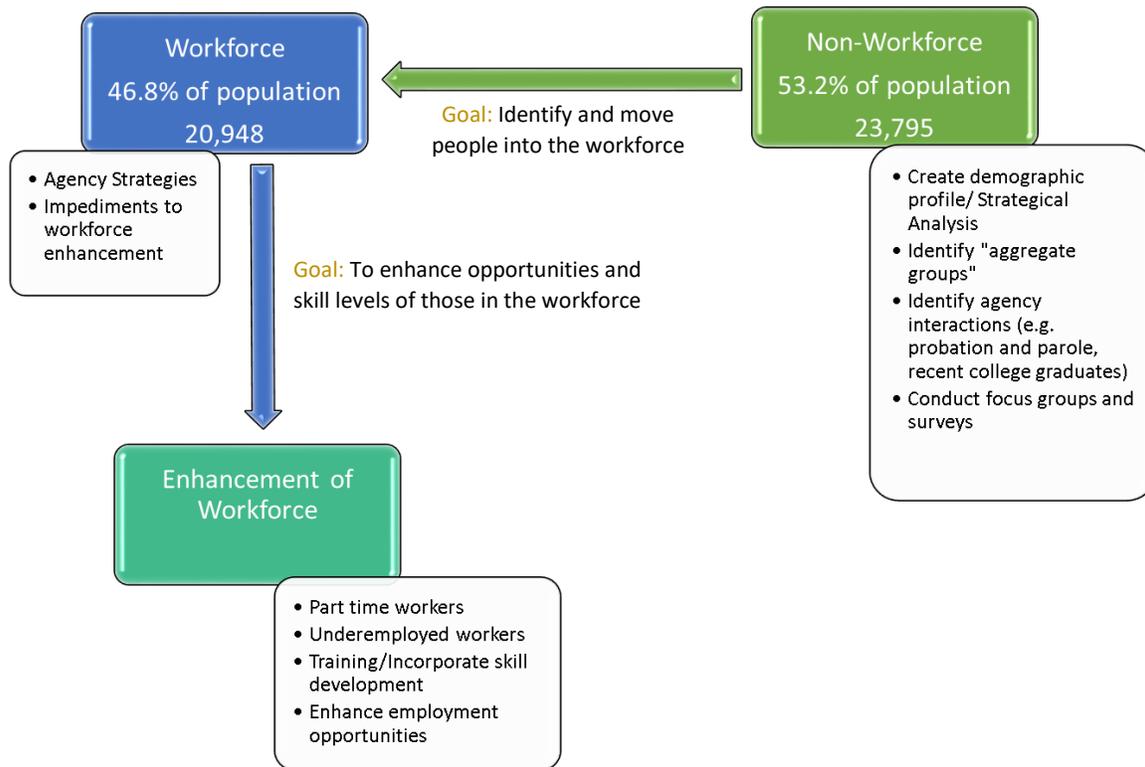
[1]The Hamilton Project-Brookings August 2017 Economic Analysis entitled *Who’s Out of the Labor Force*.

[2]Source: 2018 North Carolina Economic Development Guide

METHODOLOGY

The SEPI is the research and development phase for a **McDowell County Strategic Employment Plan**, and will serve as the foundational tool to address the County’s workforce issues in a systematic and comprehensive manner. Figure 1 below illustrates the dual focus of the SEPI—to move the non-workforce into the workforce and to enhance the existing workforce. It also specifies the steps the Initiative followed to 1) identify local nonparticipants and the underemployed, and 2) understand more clearly the reasons for workforce nonparticipation and underemployment.

Figure 1. McDowell County Strategic Employment Plan Initiative



The resulting demographic profile and strategic analysis of the local workforce and non-workforce have been extremely informative. The main value of the research has been in providing the County with an innovative framework to identify, understand, and address workforce nonparticipation and underemployment.

The research, specifically the Bureau of Labor Statistics monthly labor force surveys, identified important aggregate groups, or categories, of non participants, including Home Responsibilities, Illness or Disability, In School, Early Retirement, and Other Reasons. This national statistical data can then be used to extrapolate local nonparticipation data. The national data for these aggregate groups also provided a way to connect with local nonparticipants: by engaging with the front-line staff of agencies and organizations that nonparticipants in these categories might interact with for services and resources.

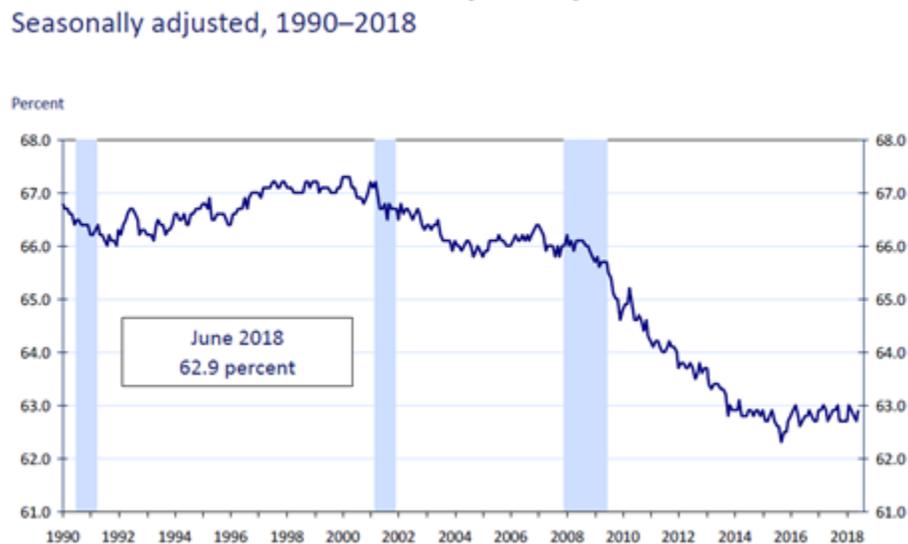
PARTICIPATION RATES

Figures 2-4 provide information on national, state, and local participation rates. The workforce participation rate is defined as the workforce as a percent of the civilian noninstitutionalized population. The workforce equals the total of those employed and unemployed; the civilian noninstitutionalized population is “... persons 16 years of age and older residing in the 50 states and the District of Columbia who do not live in institutions (for example, correctional facilities, long-term care hospitals, and nursing homes) and who are not on active duty in the Armed Forces.”*

The workforce participation rate measures the number of individuals participating in the workforce and is considered to be a measure of economic strength. Figure 2, shows the national downward trend in the national participation rate, Figure 3. Indicates a slight upward trend in recent years for North Carolina.

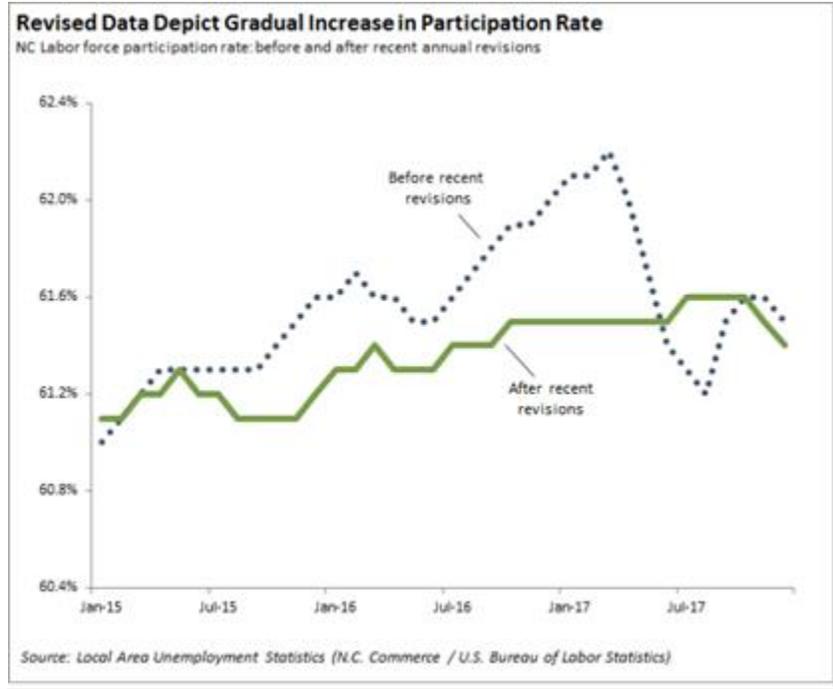
The McDowell County Workforce Participation Chart (Figure 4.) was produced using workforce data from NCWorks Online and civilian noninstitutionalized population data from the ACS. The most current ACS population data available is from 2016; 2017 and 2018 population data is not yet available.

Figure 2. U.S. Workforce Participation Rate: 62.9% (Bureau of Labor Statistics)



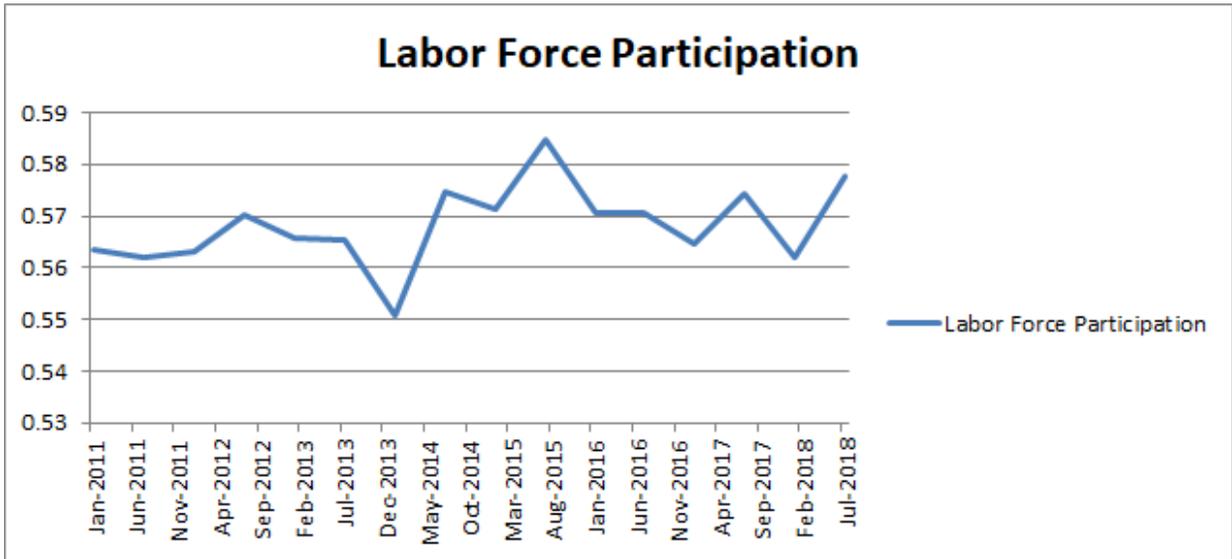
[1]Bureau of Labor Statistics Current Population Survey

Figure 3. N.C. Workforce Participation Rate: 61.4% (NC L.E.A.D. December 2017)



Each year, LEAD and BLS perform data revisions that affect workforce data from prior years. Revisions are done to ensure data accurately reflects the state of the economy, including information not available at the time of initial publication.

Figure 4. McDowell County Workforce Participation Rate: 57.7%* (July 2018)*



*NCWorks Online LMI www.ncworks.gov

*https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_16_5YR_DP03
 American Community Survey 2012-2016 Five Year Estimates Series DP03

METHODOLOGY

The SEPI results presented an interesting research challenge—how to identify those individuals not participating in the workforce or who are underemployed, short of interviewing all the individuals who make up the McDowell County civilian population.

This is a brief overview of the methods the SEPI team used to collect and analyze information on McDowell County workforce nonparticipation and underemployment. Other sections of the initiative will include detailed descriptions of sources and methods used.

Workforce nonparticipation and underemployment are national concerns. Because of this the SEPI team was able to use the abundance of statistical data, research studies, and articles available at the federal and state levels in creating this document. One of the goals of the team was to more clearly understand and define the local populations that fell under workforce nonparticipation and underemployment categories. To accomplish this, the initiative developed a demographic profile and statistical analysis of the McDowell County population and workforce using information from federal agencies, the **U.S. Census Bureau** (Census) and the **Bureau of Labor Statistics** (BLS). The Initiative identified the most relevant reports from both organizations and used that data to build the demographic profile and to identify aggregate groups of nonparticipants and the underemployed. **AccessNC** reports produced by the LEAD also provided helpful demographic information.

The team also sought to understand more clearly the reasons for nonparticipation and underemployment. **U.S. Census** and **BLS** reports again provided general information on the reasons individuals are out of the workforce, as did other national studies, analyses, and news articles. One study, the Hamilton Project-Brookings Institute economic analysis “Who Is Out of the Labor Force?” was of great value and provided a “template” for the SEPI model of local nonparticipation.

The reasons for workforce nonparticipation is complex, and the team found a great deal of insightful, but sometimes contradictory, commentary on the subject. It was decided that an effective way to explore the reasons for nonparticipation and underemployment was to engage with staff from the McDowell County workforce, training, and supportive service agencies and organizations. The targeted agencies interact with and provide services to the local workforce and non-workforce on a regular basis and have firsthand knowledge of the issues and barriers that affect workforce participation. Individual interviews were conducted targeted focus groups consisting of front-line staff and supervisors from these agencies and organizations were utilized, with significant results. Employers were also an important “connection point” and participated in interviews and online surveys. Presentations to county residents via community groups and a survey were also employed.

INTRODUCTION TO WORKFORCE SNAPSHOTS AND DEMOGRAPHIC PROFILES

The **Workforce Snapshots** and the **Demographic Profile** were developed from the abundance of demographic and workforce-related data available and both provide a more localized and relevant representation of McDowell County’s workforce profile. In seeking the most detailed and comprehensive data for McDowell County, the team relied on the *American Community Survey* (ACS) *2012-2016 Five Year Estimates** series produced by the U.S. Census Bureau, This Survey contained the most pertinent and detailed statistical data and served as the main source of information for the

McDowell County **Demographic Profile**. Other ACS surveys that were utilized are: the *ACS DP02 Selected Social Characteristics in the United States*; *ACS DP03 Selected Economic Characteristics*; *ACS DP05 Demographic and Housing Estimates*; *ACS S0103 Population 65 Years and Over in the United States*; *ACS S2301 Employment Status*, *ACS S1401 School Enrollment* and *ACS S1501 Educational Attainment*.

The Bureau of Labor Statistics (BLS) *Current Population Surveys* (CPS) and the *AccessNC Demographic and Commuter Profiles* (LEAD) also provided useful data. Care was taken to maintain consistency of data sources while creating the SEPI **Workforce Snapshots** and **Demographic Profiles**; any graphs or narratives that use information from different data sources are noted and include an explanation as to why they were used.

Statistical data has its limitations. The ACS and other surveys used to prepare the **Demographic Profiles** could only provide “snapshots” of specific populations within McDowell County. In addition, the data collected for these was prepared by sampling various U.S. populations on an ongoing basis, hence the information gathered was self-reported. The ACS surveys also included margins of error for each of their statistical data points.

In the early stages of the SEPI, there were two studies on workforce nonparticipation that proved extremely valuable: the *Hamilton Project – Brookings Institute* analysis entitled “Who’s Out of the Workforce,” and a Bureau of Labor Statistics’ “Beyond the Numbers” article. Both studies supplied the team with possible aggregate groups of nonparticipants and introduced pertinent U.S. Census and Bureau of Labor Statistics surveys. Another publication that deserves special mention is the “The U.S. Employment Snapshot” by Harry Dahlstrom. The Harry Dahlstrom “Not in the Labor Force” chart was used for the

Workforce Snapshots.

*The *ACS 2012-2016 Five Year Estimates* series is available for any U.S. geographical area via the Census Bureau’s “American Factfinder” data tool, and produces surveys on numerous economic, social, and demographic areas.

The McDowell County Demographic Profile and Statistical Analysis section begins with the **McDowell County Workforce Snapshots**, which identify aggregate groups of nonparticipants, the underemployed and the percentage of the local population in those groups. The **Workforce Snapshots** then lead into the **Demographic Profile** graphs.

A *Survey and Report Descriptions* page accompanies the **Workforce Snapshots** and **Demographic Profile** graphs and provides additional information on the various surveys and reports used by the SEPI. This section also includes an *ACS Survey Comparison Chart* that describes the distinguishing features of the several types of ACS surveys and their best uses. Also noted are other sources of information or data used in this section of the SEPI. All reports, studies, and articles used are included in their entirety in the Appendix.



SURVEY AND REPORT DESCRIPTIONS

U.S. Census reports provide comprehensive statistical data on economic, social, and demographic characteristics of the U.S. population. The U.S. Census also partners with BLS to produce monthly population and labor force reports. Below are descriptions of those surveys and reports.

American Community Survey (ACS): A nationwide survey that replaced the decennial census long form in 2010 and thereafter by collecting long form type information throughout the decade rather than only once every 10 years. The American Community Survey produces demographic, social, housing, and economic estimates in the form of one-year, three-year and five-year estimates based on population thresholds.

Bureau of the Census (BOC): A part of the U.S. Department of Commerce. This agency conducts the national census of population and housing every 10 years and of agriculture, business, governments, manufacturers, mineral industries, and transportation at five-year intervals. The Census Bureau also conducts the monthly Current Population Survey (CPS) in cooperation with the Bureau of Labor Statistics (BLS). Data from this survey are the source of unemployment statistics.

Bureau of Labor Statistics (BLS): A part of the U.S. Department of Labor. BLS functions as the principal data-gathering agency of the federal government in the field of labor economics. BLS collects, processes, analyzes, and disseminates data relating to employment, unemployment, the labor force, productivity, prices, family expenditures, wages, industrial relations, and occupational safety and health.

Current Population Survey (CPS): Monthly household survey of the civilian non-institutional population of the United States. The survey provides monthly statistics on employment, unemployment, and related subjects. The data is analyzed and published each month by the Bureau of Labor Statistics.

Current Population Survey Annual Social and Economic Supplement: A national survey conducted to compile annual income and migration statistics, including official poverty figures. The ASEC also produces work experience, noncash benefits, and health insurance data. It is sponsored by the Bureau of Labor Statistics (BLS), Census Bureau, and the Department of Health and Human Service.

How the ACS compares with the Current Population Survey: The Current Population Survey (CPS), jointly sponsored by BLS and the Census Bureau, is a monthly sample survey of approximately 60,000 households designed specifically to produce the current monthly employment and unemployment data, and the annual data on income and poverty for the nation. CPS monthly employment and unemployment estimates are available within a few weeks of the end of the reference period (a specific week each month in which the survey asks its questions). ACS 1-year employment and unemployment estimates are available nine months after the end of the reference year, while 5-year estimates typically are issued early in December of the following year. No monthly estimates are available from ACS. The monthly CPS estimates are a key input to the Local Area Unemployment Statistics (LAUS) program conducted by BLS, which produces the official labor force statistics for states and local areas. **Survey reference week (Current Population Survey):** The CPS, a survey of households, asks respondents about labor market activities during a specific week each month. That week, called the survey reference week, is defined as the 7-day period, Sunday through Saturday, which includes the 12th of the month.

LEAD (Labor & Economic Analysis Division): “... one-stop source and leading provider of labor market information for the state of North Carolina. With a staff of researchers, economists, statisticians, and policy analysts, LEAD administers and collects data, conducts research, analyses, reports, and disseminates information on the state's economy, labor force, educational, and workforce-related issues. LEAD’s information and analyses allows for the development of a more complete picture of North Carolina’s economy and for more informed policy decisions regarding business recruitment and workforce development.”

Information on the ACS Reports:*

Distinguishing features of ACS 1-year, 1-year supplemental, 3-year, and 5-year estimates

1-year estimates	1-year supplemental estimates	3-year estimates*	5-year estimates
12 months of collected data <i>Example:</i> 2016 ACS 1-year estimates <i>Date collected between:</i> January 1, 2016 and December 31, 2016	12 months of collected data <i>Example:</i> 2016 ACS 1-year supplemental estimates <i>Date collected between:</i> January 1, 2016 and December 31, 2016	36 months of collected data <i>Example:</i> 2011-2013 ACS 3-year estimates <i>Date collected between:</i> January 1, 2011 and December 31, 2013	60 months of collected data <i>Example:</i> 2012-2016 ACS 5-year estimates <i>Date collected between:</i> January 1, 2012 and December 31, 2016
Data for areas with populations of 65,000+	Data for areas with populations of 20,000+	Data for areas with populations of 20,000+	Data for all areas
Smallest sample size	Smallest sample size	Larger sample size than 1-year	Largest sample size
Less reliable than 3-year or 5-year	Less reliable than 5-year	More reliable than 1-year; less reliable than 5-year	Most reliable
Most current data	Most current data	Less current than 1-year estimates; more current than 5-year	Least current
Annually released: 2005-present	Annually released: 2014-present	Annually released: 2007-2013	Annually released: 2009-present

Best used when	Best used when	Best used when	Best used when
Currency is more important than precision Analyzing large populations	Currency is more important than precision Analyzing smaller populations Examining smaller geographies because the standard 1-year estimates are not available	More precise than 1-year, spans fewer years than 5-year Analyzing smaller populations Examining smaller geographies because the standard 1-year estimates are not available	Precision is more important than currency Analyzing very small populations Examining tracts and other smaller geographies because 1-year estimates are not available

*ACS 3-year estimates have been discontinued. The 2005-2007, 2006-2008, 2007-2009, 2008-2010, 2009-2011, 2010-2012 and 2011-2013 ACS 3-year estimates will remain available to data users, but no new 3-year estimates will be produced. Every community in the nation will continue to receive a detailed statistical portrait of its social, economic, housing and demographic characteristics through 1-year and 5-year ACS products.

*<https://www.census.gov/programs-surveys/acs/>

MCDOWELL COUNTY WORKFORCE SNAPSHOTS

In order to create the most accurate Workforce Snapshot and Demographic Profile for McDowell County, the SEPI team utilized a number of statistical sources as previously mentioned. Below is a breakdown followed by a summary and important findings.

WORKFORCE SNAPSHOT DATA SOURCES

Statistical Data	Source(s)
Demographic	ACS 2012-2016
Economic	ACS 2012-2016
Social	ACS 2012-2016
Employment	AccessNC Demographic Profiles
Unemployment	AccessNC Demographic Profiles
Commuter Information	AccessNC Demographic Profiles
Workforce Nonparticipation	Hamilton Project-Brookings Institute Aug. 2017, Who's out of the Labor Force/2016 Current Population Survey Annual Social and Economic Supplement

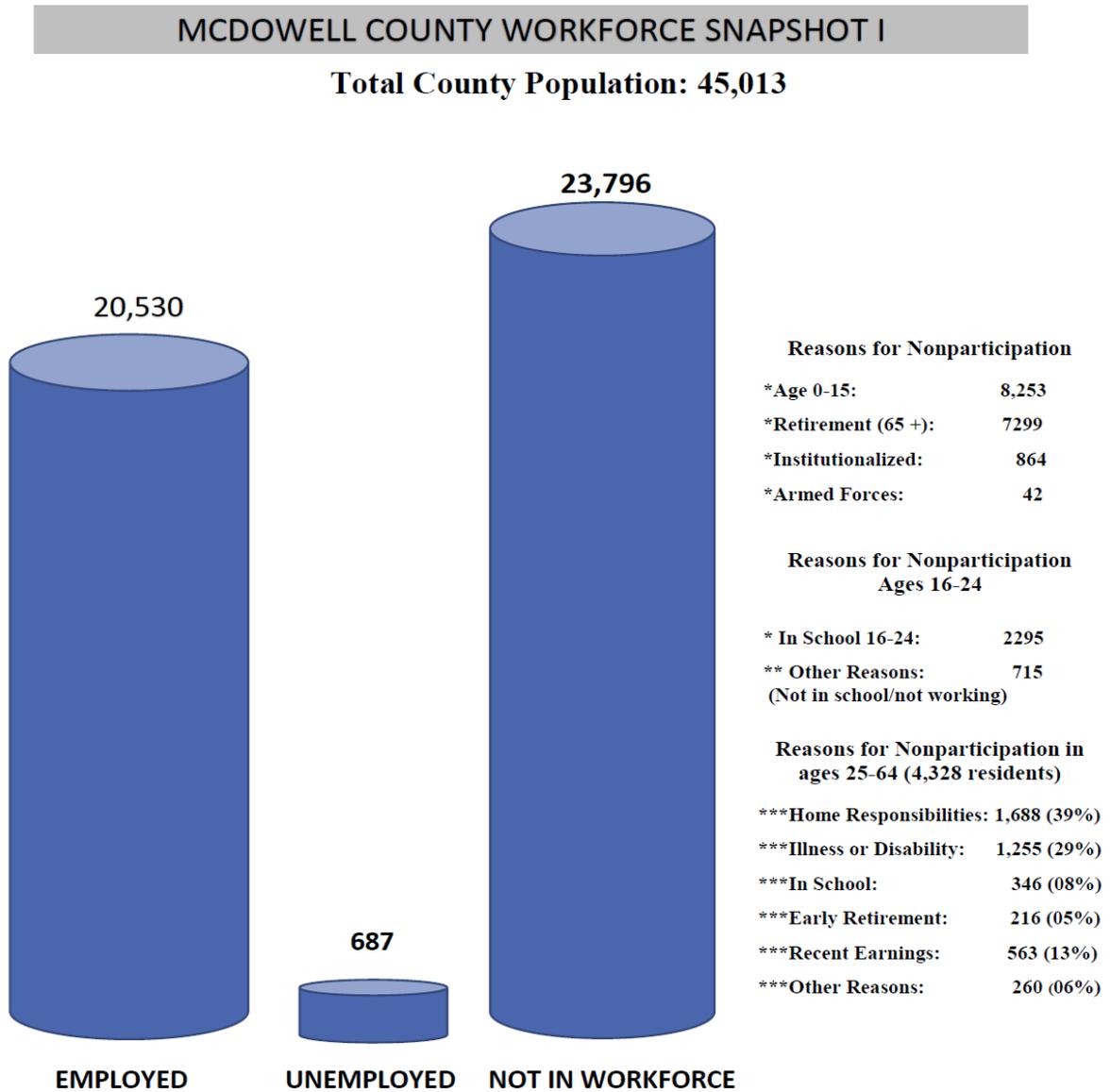
Because the ACS study provided the most reliable statistical information for a county-level geographical area and had the most recent data (the 2017 Five Year Estimates is due out Dec. 6, 2018), it was used for the demographic, economic, and social data that make up the Snapshot. The team utilized the NC Department of Commerce's Access NC Demographic Profiles for the employment, unemployment, and commuter information. Although the state of North Carolina produces its own population estimate for NC counties each year, which was 45,510, the team chose to use the ACS data (45,013) for consistency.

Valuable to the SEPI findings was the detail provided in the Hamilton Project-Brookings Institute study (*Who's Out of the Labor Force*). The study analyzed the reasons non-participants gave for not working or seeking work, with whom nonparticipants are living, and how individuals are making ends meet. It also introduced the team to other useful data sources such as the Bureau of Labor Statistics' *Current Population Surveys*. It was this study's nonparticipation percentages that were used and applied to the first Workforce Snapshot.

The Hamilton study gave percentages on nonparticipating aggregate groups in the categories of Home Responsibilities, Illness or Disability, In School, Early Retirement, Recent Earnings, and Other Reasons based on those ages 25-54. Because the team had no reliable data on McDowell County nonparticipant residents ages 55-64, the team included this age group in its calculations. The percentages the Hamilton Project applied to their nonparticipation categories were appealing because the study focused on prime work age individuals (25-54) and included a distinct Recent Earnings category. The initiative also

found two other workforce nonparticipation tables of note during its research. These tables used data from the 2014 *Current Population Survey*, did not include a separate Recent Earnings category and calculated percentage of population in each category based on the total civilian noninstitutionalized population (age 16 and above). The team performed an informal comparison of the three tables using McDowell County’s civilian noninstitutionalized population and determined that the Hamilton Project table provided the most conservative and well-defined estimates for the Initiative.

Figure 5.



*ACS 2012-2016 Five Year Estimates Survey series DP03

** Measure of America’s Youth Disconnection Project.

***The Hamilton Project’s August 2017 Economic Analysis entitled “Who’s Out of the Labor Force”

WORKFORCE NONPARTICIPATION FACT AND FIGURES

The research provides the Initiative with credible data with which to formulate solutions to the county's current workforce issues.

The most recent estimate of the McDowell County population is 45,013 (ACS). According to the *AccessNC* there are 21,217 individuals in the local workforce as of August 2018 (employed plus unemployed), which leaves an estimated 23,796 individuals not in the workforce.

The research identifies those populations at either end of the age spectrum that are not in the workforce. There are an estimated 8,253 individuals ages 0-15 and 8,247 individuals ages 65 and over in McDowell County. An estimated 88.5%, or 7,299 of those ages 65 and over are not in the workforce, primarily because of retirement.

The institutionalized population accounts for an estimated 864 not in the workforce and another 42 from those in the Armed Forces.

There are an estimated 2,295 ages 16-24 that are in school (both public and private). An estimated 870 of those ages 18-24 are attending college or graduate school. The *ACS 2301 Employment Status* survey shows individuals 16-19 with a labor force participation rate of 38.8% (855 individuals) and those ages 20-24 with a rate of 84.4% (2085 individuals).

The number of individuals ages 16-24 that are neither in school nor looking for work is estimated to be 715, based on a 15.3% disconnection rate calculated by the Youth Disconnection Project and the SEPI's ACS estimate of 4,673 individuals ages 16-24 in McDowell County. **Measure of America**, a nonprofit organization studying economic and social issues in the U.S. and its Youth Disconnection Project, studies and tracks youth ages 16-24 who are neither working nor in school. The project uses the *ACS 2012-2016 Five Year Estimates Series* to calculate the disconnection rates of counties across the U.S.

The research shows that there is an estimated net total of 4,328 individuals ages 25-64 that are not participating in the local workforce. This is after accounting for other segments of the local population by employment, unemployment, age, military service, institutionalization, ages 16-24 in school, and ages 16-24 neither in school nor working.

Categories of nonparticipation include:

Home Responsibilities: Caregiver (taking care of home or family) is the primary reported reason for prime age workforce nonparticipation, and accounts for more than half of female nonparticipants ages 25-54*. It is possible that a percentage of individuals in this group may elect to take care of home or family because they face significant issues and/or barriers to part-time or full-time employment. These issues and/or barriers may include 1) being a single parent and the sole provider of child care; 2) not being able to obtain work that sufficiently offsets child care expenses; 3) limited or unreliable transportation; 4) jeopardizing public assistance benefits by working; 5) the lack of an employment history or suitable job skills; 6) a lack of a high school diploma or GED; 7) only family member available to provide adult care; and 8) inability to afford adult day care or in-home care.

* The Hamilton Project www.hamiltonproject.org/papers/who_is_out_of_the_labor_force



Illness or Disability: The Hamilton Project’s labor force analysis states, “... almost 30 percent of prime-age nonparticipants—roughly equally split between men and women—report being ill or disabled. With roughly 45 percent of prime-age male nonparticipants classified as disabled, health-related barriers to being in the labor force may represent a significant challenge.” The Initiative also sought more information and understanding about this aggregate group. When individuals report illness or disability is it because 1) they have a temporary or a permanent illness or disability; 2) they are under treatment for an acute or a chronic health condition; 3) they are experiencing substance abuse or mental health issues; 4) they feel there are no jobs they can perform because of their illness or disability.

In School: The Hamilton Project calculated that .08% of individuals ages 25-54 reported a lack of education as their reason for nonparticipation. Based on this percentage, the SEPI team estimated that **346** individuals between the ages of 25-64 were in school. The ACS S1401 *School Enrollment* survey estimated 1173 individuals ages 25-64 enrolled in school, which infers that an estimated 827 individuals were attending school and working.

Early Retirement: Early retirement is typically defined as before the age of 65; however, there may be individuals in this group whose full retirement age is 66 or 67 based on Social Security retirement guidelines. Again, there are additional questions to ask about this aggregate group. When individuals report early retirement is it because 1) they are financially able to do so; 2) they were terminated or laid off from a job and are no longer looking because they are discouraged about finding comparable work; 3) they are not looking for work now because they are taking time off between jobs or careers.

Recent Earnings: The *Hamilton Project’s* labor force analysis states, “More than 70 percent of labor force nonparticipants report that caregiving, disability, or early retirement kept them out of the labor force; 13 percent were not in those categories but had recent earnings, indicating that they had been employed at some point during the previous year.” Although this group is generally regarded as a subset of the nonparticipation category **Other Reasons**, the Initiative followed the *Hamilton Project’s* lead and treated it as a separate category. Individuals with recent earnings are of special interest to the SEPI team because 1) they have recently participated in the workforce, so by inference may have at least some work skills; and 2) they may have issues and/or barriers to employment that can be identified and addressed through workforce, career development and/or community support assistance, thus allowing them to move back into the workforce.

Individuals in this category may have stopped looking for work because of problems with transportation or childcare, or because of a criminal background or substance abuse. This category may also include marginally attached and discouraged workers. Marginally attached workers are able and available for work and have looked for a job some time in the prior 12 months, but have not looked for work within the last four weeks. Discouraged workers also want and are available for work but have stopped looking for work because they believe there are no jobs available or there are no jobs for which they would qualify.

Other Reasons: A percentage of individuals choose Other Reasons to indicate why they are not in the workforce. They do not have recent earnings, which means they have been out of the workforce for more than a year. These individuals may be nonparticipants for the same reasons as those in the **Recent Earnings** category, or because they misunderstood the survey questions. This group may also include individuals receiving public assistance benefits or relying on alternative forms of income.

SUMMARY OF CALCULATIONS

The SEPI includes a step-by-step explanation of the methods and sources used to calculate the numeric data for the **Workforce Snapshot I**. The Initiative incorporates the *Hamilton Project's* nonparticipation category percentages and extrapolated the number of McDowell County individuals in the categories of Home Responsibilities, Illness and Disability, In School, Early Retirement, Recent Earnings and Other Reasons. As noted previously, the *Hamilton Project* calculated its percentages using individuals ages 25-54, the SEPI team extrapolated data based on individuals ages 25-64.

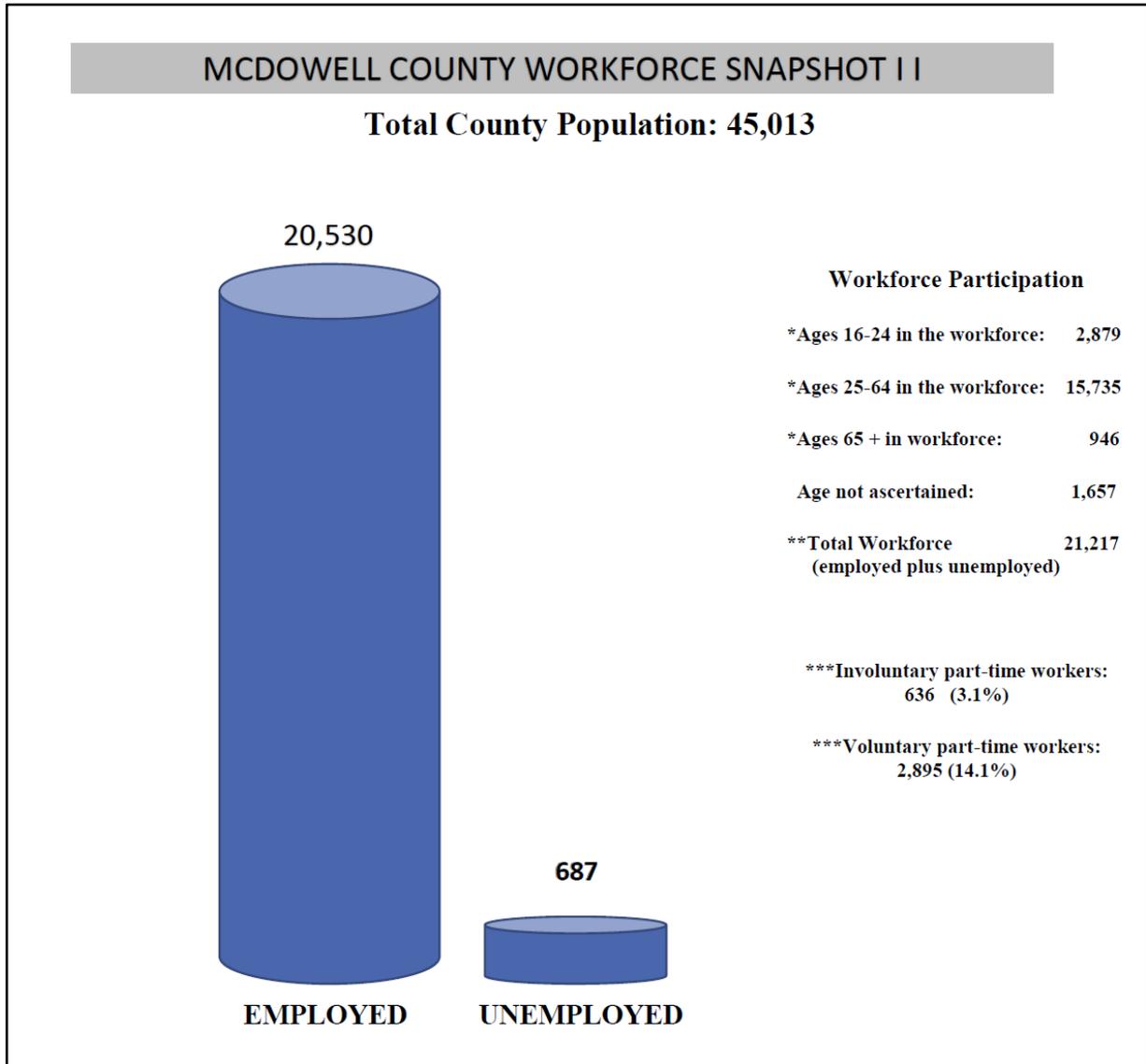
Total Population:	45,013	
Employed:	20,530	July 2018 AccessNC McDowell County Demographic Profile
Unemployed:	687	July 2018 AccessNC McDowell County Demographic Profile
Current Workforce:	21,217	Employed plus Unemployed (participants)
Not in Workforce:	23,796	Total Population minus current Workforce = nonparticipants

To analyze those individuals not in the workforce, the initiative prepared the following data:

Population not in Workforce:	23,796	
Ages 0-15:	- 8,253	Total Pop. 45,013 minus Ages 16 and over 36,760 (DP03)
Ages 65 and over:	-7,299	8,247 x 88.5% Not in Workforce (ACS S0103)
Institutionalized:	- 864	DP03; # may include some 65 +/- not statistically significant
Armed Forces	- 42	DP03
Not in Workforce Subtotal:	16,458	Ages 0-15 + institutionalization + Armed Forces + 65 and over
Ages 16-64 Not in Workforce: subtotal	-7,338	23,796 Not in Workforce - 16,458 Not in Workforce
Ages 16-24 in school	- 2,295	ACS S1401 (some individuals may be working + school)
Ages 16-24 Not School/Workforce:	<u>-715</u>	From Measure of America's Youth Disconnection Project
Ages 25-64 Not in Workforce:	4,328	Net number of those Not in Workforce

Home Responsibilities:	4,328 x 39% equals 1,687.92 and rounded to	1,688
Illness or Disability:	4,328 x 29% equals 1,255.12 and rounded to	1,255
In School:	4,328 x .08% equals 346.24 and rounded to	346
Early Retirement:	4,328 x .05% equals 216.40 and rounded to	216
Other Reasons:	4,328 x .06% equals 259.68 and rounded to	260
Recent Earnings:	4,328 x .13% equals 562.64 and rounded to	563

Figure 6.



*ACS 2012-2016 Five Year Estimates series

**AccessNC County Profile McDowell County July 2018

***March 18 Bureau of Labor Statistics article Who Works Part Time and Why

WORKFORCE PARTICIPATION FACTS AND FIGURES

McDowell County has an estimated 2,879 individuals ages 16-24 in the workforce. There are 855, ages 16-19 (38.8% of 20,530), and 2,085 ages 20-24 (84.4% of 20,530). The Initiative extrapolates that an estimated 632 of the individual's ages 16-24 enrolled in school were also in the workforce.

In the age group of 25-64, the numbers show an estimated 15,735 individuals in the workforce. From those ages 65 and up, there are an estimated 964 in the workforce...

There are an estimated 636 involuntary part-time workers (3.1%* of total employment of 20,530). Involuntary part-time workers want full-time work but work part time because of slack business conditions or because they can only find part-time jobs. This group often may work two part-time jobs to make ends meet and are said to be working part-time for economic reasons.

There are an estimated 2,895 voluntary part-time workers (14.1%* of total employment of 20,530), or those that do not want to work 35 or more hours a week or are not available to do so. These individuals are not looking for full time work.

According to the BLS article Who Chooses Part-Time Work and why, "Part-time workers are classified as either part time for economic reasons (involuntary) or part time for noneconomic reasons (voluntary). The distinguishing factor is that people who work part time for noneconomic reasons either do not want or are not available to work 35 or more hours a week. People work part time for a variety of noneconomic reasons, including childcare problems, health problems, or a full-time workweek that is less than 35 hours."*

Reasons for Working Less than 35 hours per week: [1]

Reason for working less than 35 hours	2017					
	All industries			Nonagricultural industries		
	Total	Usually work full time	Usually work part time	Total	Usually work full time	Usually work part time
Total, at work 1 to 34 hours.....	35,080	10,295	24,785	34,539	10,140	24,398
Economic reasons.....	5,250	1,371	3,879	5,184	1,337	3,847
Slack work or business conditions.....	3,219	1,142	2,076	3,180	1,119	2,061
Could only find part-time work.....	1,726	-	1,726	1,716	-	1,716
Seasonal work.....	207	131	76	191	120	70
Job started or ended during week.....	98	98	-	97	97	-
Noneconomic reasons.....	29,829	8,923	20,906	29,355	8,803	20,552
Child-care problems.....	995	70	925	987	69	918
Other family or personal obligations.....	4,913	627	4,286	4,834	618	4,217
Health or medical limitations.....	999	-	999	978	-	978
In school or training.....	6,231	91	6,140	6,178	90	6,088
Retired or Social Security limit on earnings.....	2,713	-	2,713	2,593	-	2,593
Vacation or personal day.....	3,816	3,816	-	3,778	3,778	-
Holiday, legal or religious.....	1,149	1,149	-	1,140	1,140	-
Weather-related curtailment.....	893	893	-	864	864	-
All other reasons.....	8,120	2,276	5,844	8,003	2,244	5,759
Average hours, economic reasons.....	23.1	23.8	22.8	23.1	23.8	22.8
Average hours, noneconomic reasons.....	21.5	25.1	20.0	21.6	25.2	20.1



Part-time concepts*

Part time for noneconomic reasons—

- Works 1 to 34 hours a week
- Does not want to work 35 or more hours a week OR is not available to do so
- Is often called a voluntary part-time worker

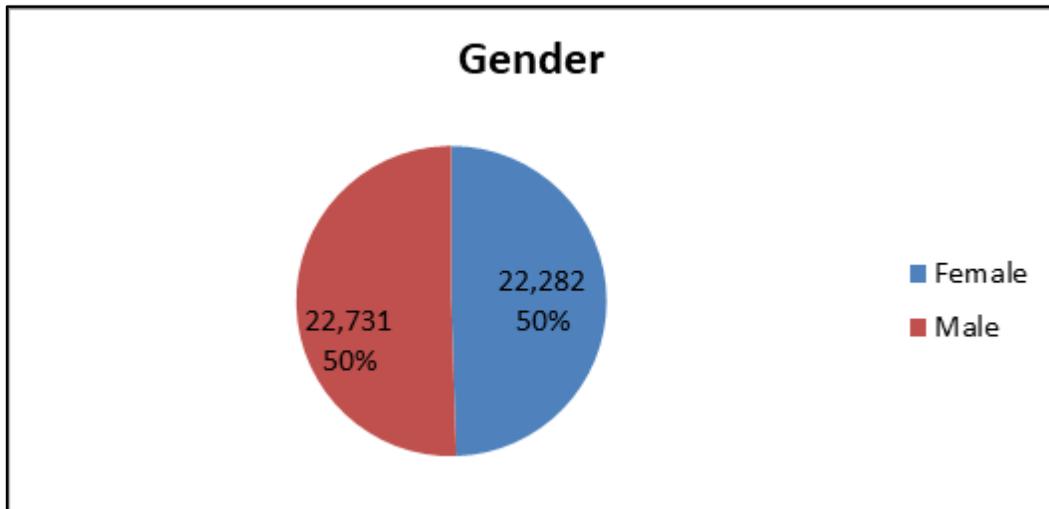
Part time for economic reasons—

- Works 1 to 34 hours a week
- Wants to work 35 or more hours a week
- Is available to work 35 or more hours a week
- Is called an involuntary part-time worker

[1] March 2018 Bureau of Labor Statistics article, *Who Chooses Part-Time Work and Why*

MCDOWELL COUNTY DEMOGRAPHIC PROFILES*

Figure 7.



The numbers found that there is an equal number of males and females in McDowell County. Of the total estimated population (45,013), 22,731 are males and 22,282 are females. The current McDowell County workforce is 21,217 based on the July 2018 *AccessNC McDowell County Profile* but there is no current data on the percentage of workforce by gender.

Some noteworthy statistics about gender and workforce participation from the Hamilton Project [1]:

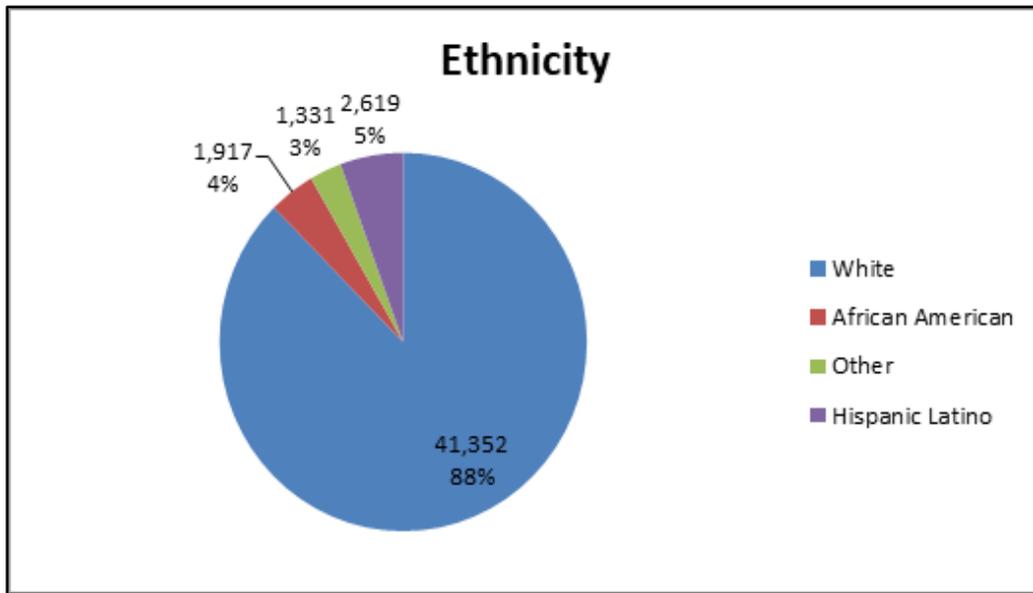
1. “ Women account for twice as many nonparticipants as men—with 16 million prime-age women and 7 million prime-age men nonparticipants—and about half of these women cite caregiving as the reason for nonparticipation.”
2. “Women with a high school education or less are overwhelmingly the largest group of Americans out of the labor force.”
3. “After excluding caregivers (approximately 40 percent of nonparticipants), prime-age men and women report the same reasons—and at similar rates—for not participating in the labor force. Almost 30 percent of nonparticipants report being ill or disabled, while 8 percent are students, and 5 percent are early retirees.”
4. One recommendation in the SEPI is that educational and workforce entities partner with employers to market non-traditional jobs and career pathways to both females and males.
5. Median earnings for male full-time, year-round workers is \$34,262
6. Median earnings for female full-time, year-round workers is \$30,629

*All statistical data in the Demographic Profiles are from the 2012-2016 American Community Survey 5-Year Estimates Series unless otherwise noted. The ACS 2012-2016 Five Year Estimates series is available for any U.S. geographical area via the Census Bureau’s “American Fact Finder” data tool, and produces surveys on numerous economic, social, and demographic areas

[1] The Hamilton Project www.hamiltonproject.org/papers/who_is_out_of_the_labor_force

RACE AND ETHNICITY PROFILE

Figure 8.



The McDowell County labor force participation rate by race and ethnicity is:

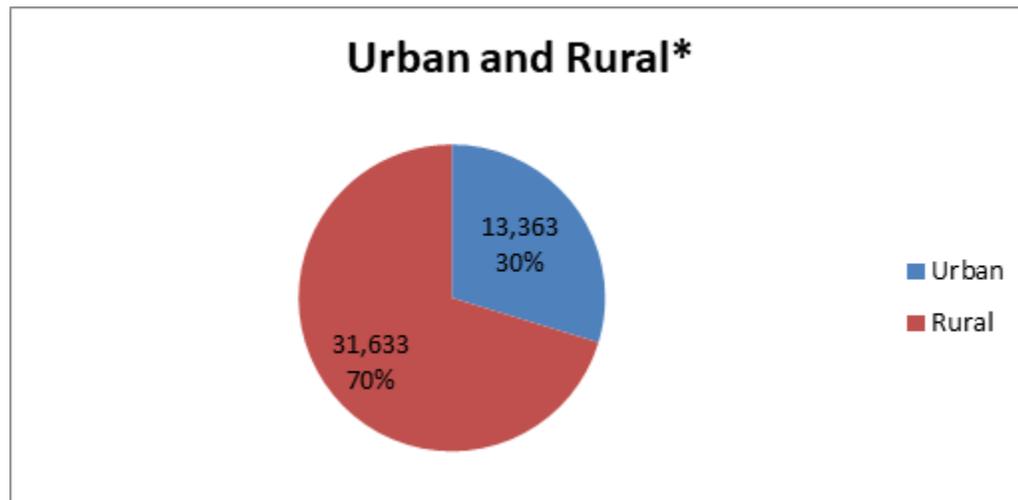
1. White: 88% (41,352)
2. African Americans: 4% (1,917)
3. Hispanics Latinos (of any race): 5% (2,619)
4. Other race: 3% (1,331)

5. Individuals can report being a particular race and report being a particular ethnicity. Many types of application forms as well as Census, ACS and BLS surveys ask for both race and ethnicity. In Figure 8 above, the total population is shown as 47,219 instead of 45,013 for this reason.
6. “Blacks and Hispanics were about twice as likely as Whites and Asians to be among the working poor. In 2016, the working-poor rates of Blacks and Hispanics were 8.7 percent and 8.5 percent, respectively, compared with 4.3 percent for Whites and 3.5 percent for Asians.” [1]
7. The Initiative does not have any statistical data on the percentage of ethnicities employed in different industry sectors such as manufacturing, transportation, public administration, healthcare, etc. Employers are encouraged to continue to reach out to all of the above populations in McDowell County.

[1]April 2017 Bureau of Labor Statistics report “*A Profile of the Working Poor.*” 2016.

URBAN AND RURAL PROFILE

Figure 9.



1. Thirty percent of McDowell County residents live in two urban clusters (populations of at least 2,500 but less than 50,000): the City of Marion and the Town of Old Fort. The other 70% of the population live in a rural setting.
2. Those living in rural areas may have limited access to employers and/or to workforce and career development services such as the local NCWorks Career Center and McDowell Technical Community College. A lack of transportation or limited transportation may also prevent access to jobs and/or workforce or training services
3. Youth ages 16-24 living in rural areas have the highest rate of workforce nonparticipation, 19.3 % nationally, followed by those living in towns (14.9 percent) and urban centers (12.9 %). Youth in the suburbs have the lowest non participation rate of 11.3 %. Disconnection rates in

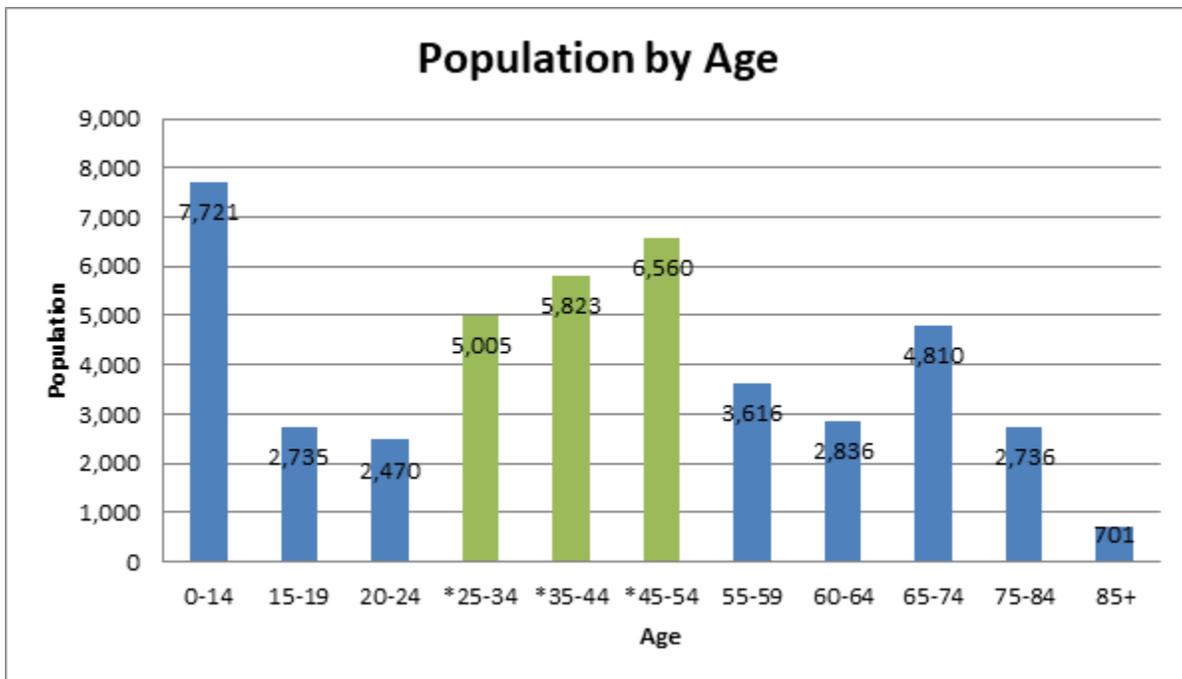
rural counties vary immensely, from essentially 0 % to 76.6%. The most recent data available for the McDowell County nonparticipation percentage for Youth is 15.3 %, or 715 youth ages 16-24 neither working nor in school.[1]

[1] July 2018 AccessNC McDowell County Demographic Profile

[2] Measure of America website's "Youth Disconnection by County" graph

AGE POPULATION PROFILE

Figure 10.



Understanding the role age plays in workforce participation is key to establishing effective workforce development and training products and services. Below are some key points:

1. Workforce nonparticipation studies often divide the civilian population (those ages 16 and above) into age groups for analysis: ages 16-24, referred to as Youth, ages 25-54, referred to as Prime Age; and 55 and above, referred to as Older or Experienced Workers.
2. Identifying what motivates an age group regarding work and/or career choices will be a key factor in whether efforts to improve the local workforce participation rates are successful.
3. Most Americans who are not in the labor force are older individuals. Of the 38 million men and 56 million women who are not in the labor force, 57 % of men and 55 % of women are at least 55 years old. At the other end of the spectrum, about 23 % of men and 16 % of women who are not in the labor force are ages 16 to 24.[1]
4. The most recent data available for the nonparticipation percentage for Youth is 15.3 %, or 715 youth ages 16-24 neither working nor in school.[2]

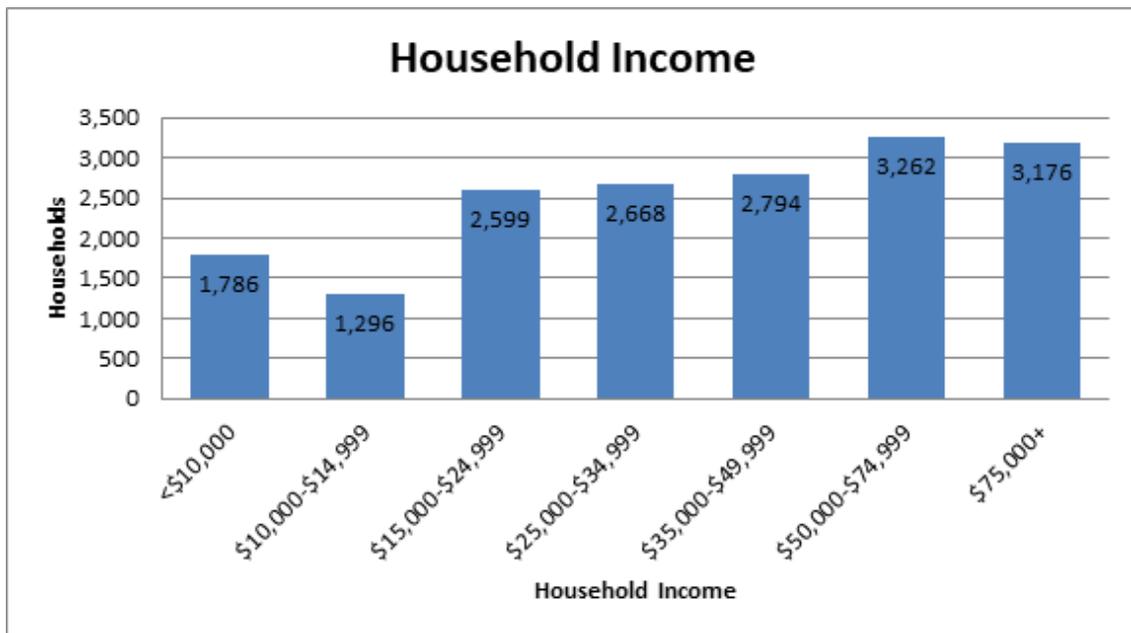
5. In 2016—the most recent year for which there is detailed individual-level data—19 % of 25- to 54-year-old men and women were not working or seeking work.[1]
6. Another age group of interest is the 0-15 population—this age group comprises the McDowell County workforce pipeline.
7. Median age in McDowell County is 43.1.

[1]Hamilton Project

[2]Measure of America website Youth Disconnection by County graph

INCOME PROFILE

Figure 11.



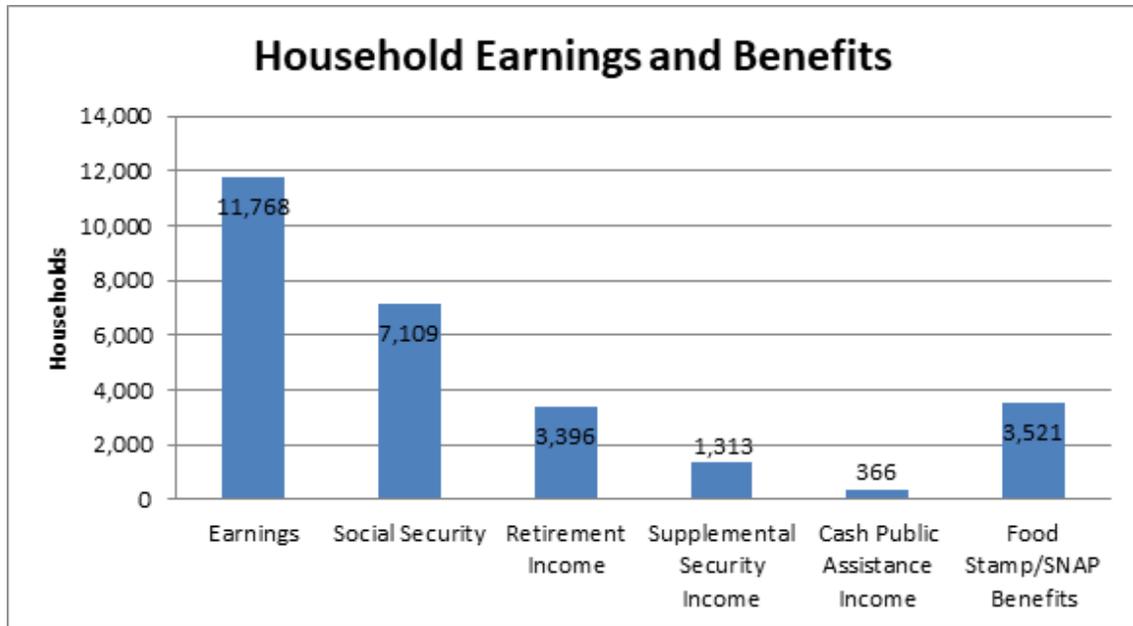
1. McDowell County has an estimated total of 17,581 households, which includes an estimated 12,458 families and an estimated 5,123 nonfamily households.
2. A household includes all the people who occupy a housing unit as their usual place of residence.*
3. Family household (Family):*

A family includes a householder and one or more people living in the same household who are related to the householder by birth, marriage, or adoption. All people in a household who are related to the householder are regarded as members of his or her family. A family household may contain people not related to the householder, but those people are not included as part of the householder's family. Thus, the number of family households is equal to the number of families, but family households may include more members than do

families. Not all households contain families since a household may comprise a group of unrelated people or one person living alone.*

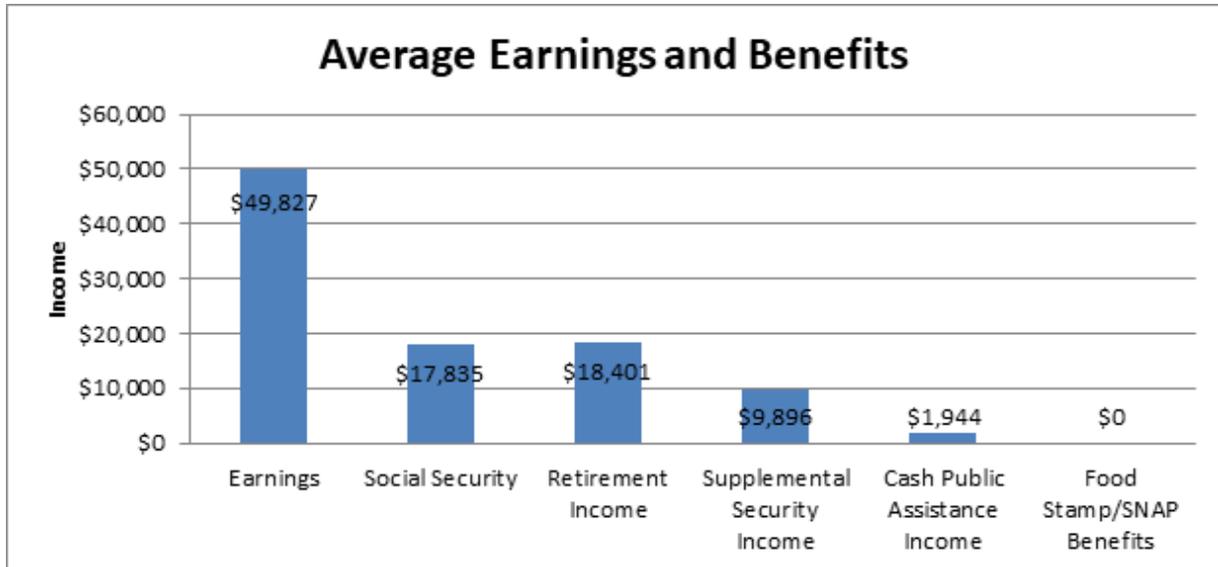
*<https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

Figure 12.



1. There are an estimated 13,988 private wage and salary workers, an estimated 2,864 government workers, and an estimated 807 self-employed workers.
2. A household can have both earnings and benefits. For example, an individual can be working, receiving social security benefits and have retirement income.

Figure 13.



1. This chart provides the average household earnings and benefits of McDowell County residents.
2. McDowell County has 11,768 households with an estimated average earnings amount of \$49,827, compared to the 2,917,201 North Carolina households with an estimated average earnings amount of \$68,587.
3. The estimated average McDowell County *family* income is \$54,136; the estimated average North Carolina *family* income is \$79,446.

Figure 14.

POVERTY

Family Size	FPL 100%	FPL 138%	FPL 250%	FPL 400%
1	\$12,060	\$16,642	\$30,150	\$48,240
2	\$16,240	\$22,411	\$40,600	\$64,960
3	\$20,420	\$28,179	\$51,050	\$81,680
4	\$24,600	\$33,948	\$61,500	\$98,400
5	\$28,780	\$39,716	\$71,950	\$115,120
6	\$32,960	\$45,484	\$82,400	\$131,840
7	\$37,140	\$51,253	\$92,850	\$148,560
8	\$41,320	\$57,021	\$103,300	\$165,280

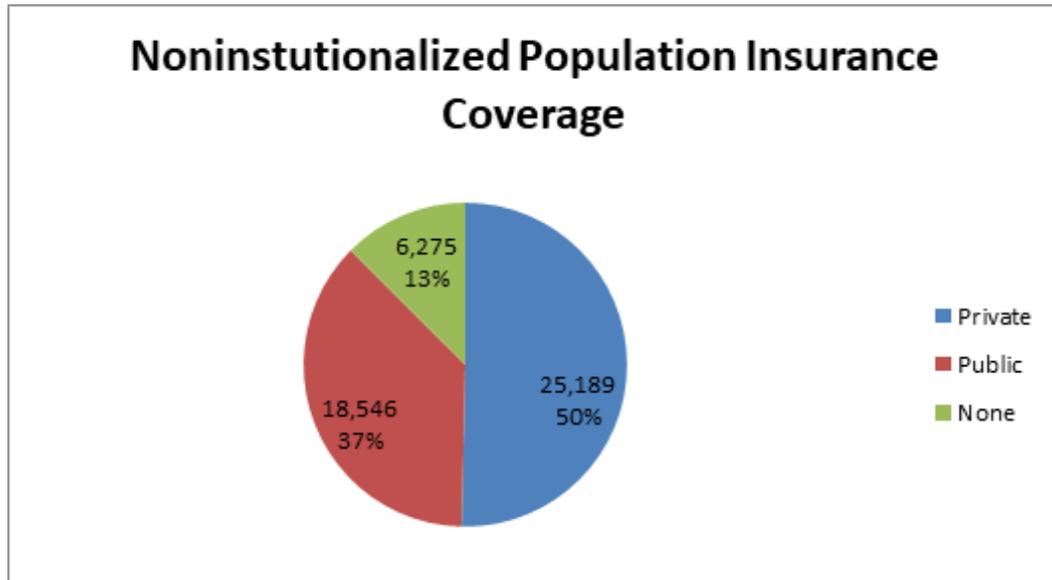
2018 Federal Poverty Level (FPL) Guidelines

Following the [Office of Management and Budget’s \(OMB\) Directive 14](#), the Census Bureau uses a set of money income thresholds that vary by family size and composition to determine who is in poverty. If the total income for a family or unrelated individual falls below the relevant poverty threshold, then the family (and every individual in it) or unrelated individual is considered in poverty*https://www.census.gov/glossary/#term_Poverty

1. The poverty rate for McDowell County is currently 18.4%, or 8,282 individuals. An April 2017 Bureau of Labor Statistics report *A Profile of the Working Poor, 2015* includes the following data:
2. The working poor are people who spent at least 27 weeks in the labor force (that is, working or looking for work) but whose incomes still fell below the official poverty level. Full-time workers continue to be much less likely to be among the working poor than were part-time workers. Among persons in the labor force for 27 weeks or more, 3.4 % of those usually employed full time were classified as working poor, compared with 14.1 % of part-time workers.
3. Women are more likely than men to be among the working poor. In addition, blacks and Hispanics continue to be more than twice as likely as whites and Asians to be among the working poor.
4. The likelihood of being classified as working poor diminishes as workers attain higher levels of education.
5. Individuals who were employed in service occupations continued to be more likely to be among the working poor than those employed in other major occupational groups.

HEALTH & INSURANCE PROFILE

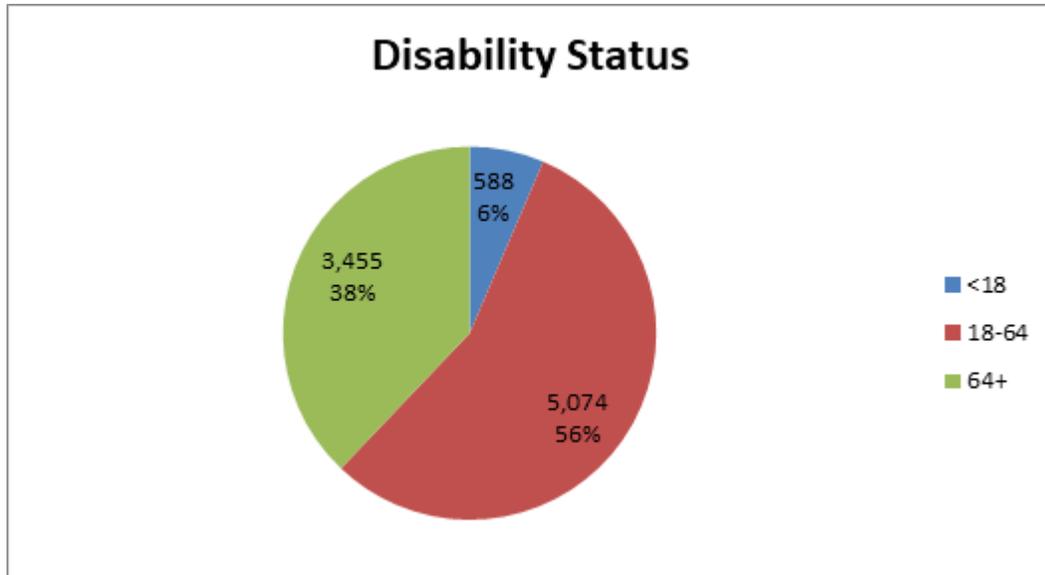
Figure 15.



These percentages are calculated by using the 2016 estimated civilian noninstitutionalized population of McDowell County, which was 44,107.

1. Private health insurance can be insurance provided by an employer or insurance purchased by an individual, such as a Medicare supplemental insurance plan.
2. Public health insurance can be plans such as the Affordable Care Act, Medicaid, or Medicare.
3. Individuals can have a combination of private and public health insurance coverage.
4. Individuals may choose not to participate in the workforce or choose part-time over full-time employment in order to stay eligible for public health insurance plans such as Medicaid. This is a regulatory disincentive to work that needs to be addressed by state and federal legislators.

Figure 16.



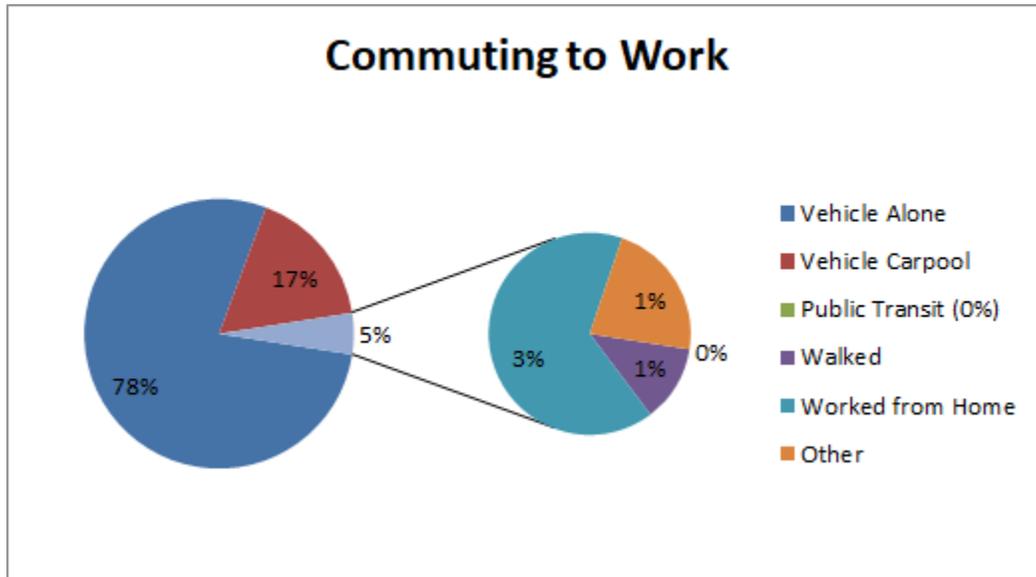
1. The ACS DP02 survey estimated that out of McDowell County’s civilian noninstitutionalized population of 44,107, there were 9,117 individuals reported as being disabled, and that 56% (5,074) of those individuals were ages 18-64 years.
2. “ ... persons with a disability—about 8 in 10—were not in the labor force in 2017, compared with about 3 in 10 of those with no disability. In part, this reflects the older age profile of persons with a disability; persons ages 65 and over are much less likely to participate in the labor force than younger age groups. Across all age groups, however, persons with a disability were more likely to be out of the labor force than those with no disability.[1]
3. Compared with people with other disabilities, a greater share of older people with hearing loss worked in management occupations.[2]
4. People with cognitive impairment were more concentrated in building and grounds cleaning occupations than people with other disabilities.[2]
5. About 17% of people with ambulatory difficulties worked in office and administrative support occupations.[2]
- 6.

[1] BLS News Release “*PERSONS WITH A DISABILITY: LABOR FORCE CHARACTERISTICS*. 2017.

[2] *Disability and the Differential Impact by Age and Sex on Work: A Portrait of Older Persons Working with a Disability* by Samantha Sterns Cole, PhD, The Work and Family Research Network Conference, June 24, 2016.

COMMUTER PROFILE

Figure 17.



County Profile

McDowell County

July 2018[1]

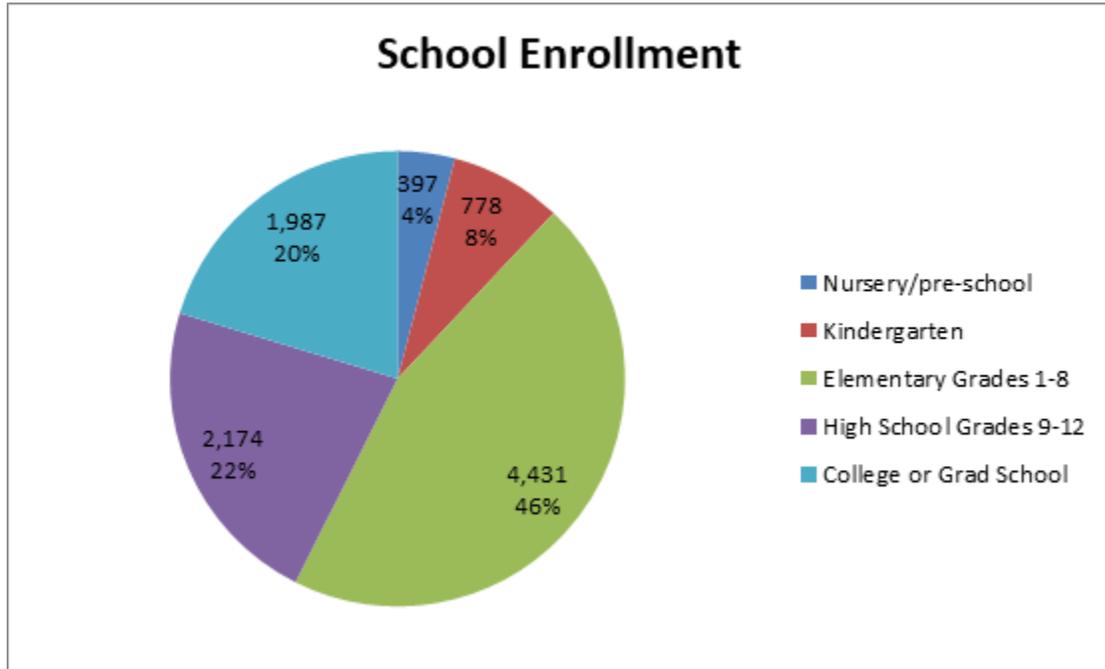
Place of Work	Commuters	Residents
Worked in State/County of Residence	12,331	71.7%
Worked in State/Outside County of Residence	4,643	27.0%
Worked Outside State of Residence	241	1.4%

- The above data illustrates the need for a marketing campaign to reduce the outflow of McDowell County workers. Even a 10% reduction in outflow would bring back approximately 488 additional workers for local employers.

[1]AccessNC County Profile McDowell County July 2018

STUDENT PROFILE

Figure 18.



School Enrollment for Ages 16-24 (Youth):

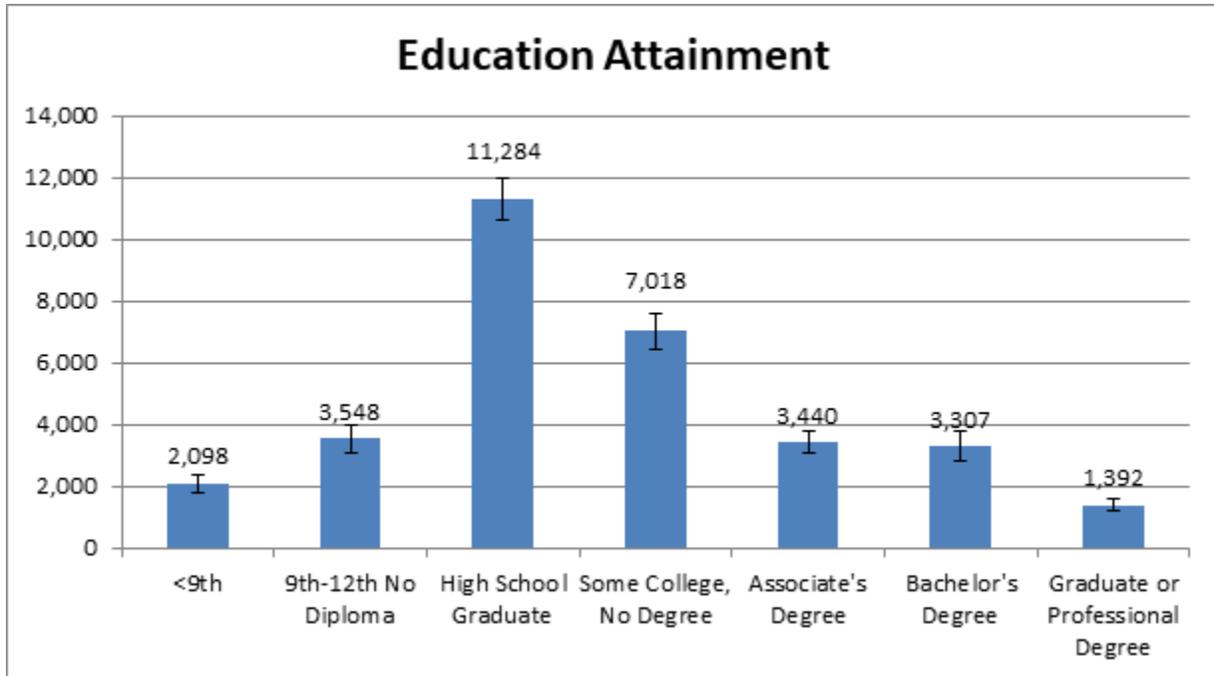
1,122 (ages 16-17) + 595 (ages 18-19) + 578 (ages 20-24) are in school, both public and private.

1. 18-24 age group in college or graduate school: **870**
2. Males 18 to 24 years (1,709): Enrolled in college or graduate school **360**
3. Females 18 to 24 years (1,740): Enrolled in college or graduate school **510**
4. Population 25 and older in school: 501 (25-34) + 672 (35 and older) = **1,173**

Dropout Data-Local	State	Number of students 9th-13th [1]
14-15: 4.20%	2.39%	86
15-16: 3.70%	2.29%	70
16-17: 2.71%	2.31%	55

[1]McDowell County School System data

Figure 19.



According to the *Hamilton Project* report:

1. Both men and women with a high school degree or less are more likely to be workforce nonparticipants.
2. Women with a high school education or less are overwhelmingly the largest group of Americans out of the labor force.

Interesting data from a Harvard *Pathways to Prosperity* Study: [1]

1. “In fact, 27 percent of people with post-secondary licenses or certificates—credentials short of an associate’s degree—earn more than the average bachelor’s degree recipient.”
2. Work-linked learning should play an especially important role in the new American system of pathways to prosperity. There is mounting evidence that this would be an effective strategy for encouraging young adults to complete both high school and post-secondary degrees. Indeed, work-linked learning appears to be a key reason why countries with the strongest Vocational Education Training systems—in which over half of young adults participate in apprenticeships—are surpassing the U.S. in both educational attainment and in employment of young adults aged 20-24.

[1]February 2011 Harvard Graduate School of Education Pathways to Prosperity Project

COMMUNITY AGENCIES /ORGANIZATIONS ANALYSIS

The SEPI **Workforce Snapshots** and **Demographic Profiles** identified the individuals and aggregate groups of workforce nonparticipants and the underemployed in McDowell County. They also supplied some general reasons for nonparticipation and underemployment and a framework for a more in-depth analysis of the issues and barriers hindering local workforce participation and full employment.

The Initiative team decided the most practical and effective way to obtain information on local issues and barriers to employment was to connect with the workforce, training, and community service agencies that interact with nonparticipants and the underemployed. The agencies and organizations included the Department Of Social Services, Vocational Rehabilitation, Freedom Life Ministries, the Senior Center, the NCWorks Career Center, The McDowell County School System, and McDowell Technical Community College.

This approach allowed the team to gain a clearer understanding of some of the workforce issues and barriers individuals in the various aggregate groups face, as well as issues specific to age and gender and to special populations such as veterans and those with disabilities and with criminal backgrounds.

The team and I engaged with these organizations in two ways—through individual interviews with key front-line and supervisory staff and through focus groups comprised of front-line and supervisory staff. The following pages provide the results of these interactions and supply the basis for many of the key findings and recommendations for the implementation phase of the SEPI.

INDIVIDUAL INTERVIEW RESULTS

The individual interviews were conducted with key staff of workforce, career development, community service, and local business organizations. All twelve staff chosen for the individual interviews work with McDowell County residents and/or employers on a regular basis and are also involved in local community, workforce and/or economic development committees or work groups.

The interviewees were asked to share their views on local workforce and training issues, to describe how their agency or organization interacts with McDowell County residents and employers, to identify what they consider to be the key barriers to workforce participation, and to discuss how their agencies and organizations could be more effective in promoting workforce participation.

The interviews revealed general agreement on two key issues affecting workforce participation and underemployment in McDowell County

1. The need for more knowledge of and access to job opportunities, career pathways, and training options.

The need for more community support services. McDowell County currently does not have an organized and integrated marketing strategy to reach out to and educate residents about local workforce development, training, and community services and resources. Many of these agencies and organizations have collaborative relationships and share customers, but the individuals interviewed felt there is still a large knowledge gap within the community about the resources available to individuals who may want to move into the workforce or full employment, either now or in the future. Similarly, staff taking part in the individual interviews and focus groups acknowledged their own lack of knowledge and a desire for a better awareness of community services and resources.



The interviews revealed that many McDowell County residents also face a lack of access to workforce training and community services. As the interviews progressed, different facets of access emerged. A lack of physical access to services may be because of limited or no transportation, or a lack of multiple access points such as career centers, libraries, or other designated locations. These access points would provide computers and support staff to assist with employment-related activities. Those who do have access both physical and/or technological may be lacking the basic computer skills needed to take advantage of those services. The lack of basic computer skills also denies these individuals access to many access to many job opportunities, where listings and applications are online. Older individuals and those without a high school diploma or GED are especially affected. Other issues mentioned during the interviews were the penalties for full-time employment built into some public assistance programs and their lack of incentives for transitioning into employment, the need for increased financial support for workforce training, and supportive services, cultural and generational attitudes that contribute to a disconnection from the workforce, and the need for employers to reassess their recruitment, training, and retention policies and procedures so that individuals can more easily obtain and retain employment. There was also concern about McDowell County's talent drain. McDowell County has a net loss of 2719[1] workers commuting outside the county to work.

One of the questions posed to those interviewed was what they considered to be the three biggest issues or barriers to employment in McDowell County. The question produced some expected answers, and some not so expected. Lack of transportation and substance abuse were mentioned most often as barriers to employment, then mental, physical, and behavioral barriers and/or disabilities, followed by a lack of child care and a criminal background. Also mentioned were a lack of job readiness for those re-entering the workforce after incarceration, job retention issues for veterans, and a lack of adequate training and/or education.

All the above issues and barriers are especially significant when examining why individuals report Other Reasons for nonparticipation or are involuntarily underemployed. In addition, those individuals in the Recent Earnings category are more likely to be marginally attached to the workforce or be discouraged workers if they are dealing with any of the above issues or barriers.

Some common themes emerged during the staff discussions on ways their agencies or organizations could be more effective in promoting workforce participation. Whether mentioned explicitly or implicitly, increased funding for staff and for agency specific resources were theme in many of the interviews. Another was the need for more specific and ongoing training for front-line staff and supervisors of these entities on how to work more effectively with diverse populations, as well as populations such as recently discharged veterans, individuals with criminal backgrounds, those with disabilities, and those individuals entering the workforce for the first time or after long-term unemployment. Those interviewed also pointed out the need for employers to provide their front-line workers and first-level supervisors with similar types of training to improve retention rates of new employees, especially those entering the workforce for the first time. There was also an enthusiasm about working more closely with employers to address local issues and barriers to employment. The individual interviews provided the SEPI team with general areas of agreement on workforce issues, with specific barriers to employment and ways to improve interactions with the McDowell County workforce and non-workforce.

[1]AccessNC 2015 McDowell County Commuting Report

FOCUS GROUP RESULTS

McDowell County Department of Social Services

The SEPI team identified the McDowell County Department of Social Services (DSS) as a major connection point with the local workforce and non-workforce. The agency operates the Food and Nutrition Assistance, Medicaid, Subsidized Child Care Assistance, Work First and other programs, which provide public assistance to local individuals and households. Many of these individuals may be workforce nonparticipants and/or the underemployed.

Front-line and supervisory staff from the above-named programs met with the SEPI team twice. The first meeting provided an overview of those programs and the individuals they serve; the second included a detailed assessment of the factors contributing to workforce nonparticipation and underemployment. Staff also made recommendations to address the institutional disincentives to workforce participation built into these programs, and to point out how they can improve interactions with program recipients to promote workforce participation.

Staff identified the following issues and barriers to workforce nonparticipation and underemployment:

1. High cost of health insurance family plans: individuals may choose Medicaid benefits and a part-time job over full-time employment or choose to quit a job or decline promotions to keep Medicaid coverage for their children. Medicaid benefits end when income caps are reached.
2. High cost of child care/lack of subsidized child care: it may make more financial sense for a family member to stay home and provide that care. The DSS Child Care Assistance program has a waiting list for subsidized child care, and numerous McDowell County families do not qualify for this assistance because of low income limits for the program. McDowell County DSS is currently serving three hundred (300) children and has a waiting list of ninety-two (92) children.
3. Disincentives to workforce participation: Medicaid and food and nutrition assistance programs penalize individuals for entering the workforce or full employment because of income caps that end benefits when they exceed specified income levels. In addition, public assistance programs created to provide temporary assistance may now provide a long-term subsistence payment option to employment, creating cultural and generational disincentives to work.
4. Over-reliance on self-reporting: Medicaid and food and nutrition assistance programs rely heavily on an applicant's self-reporting of their circumstances. Food and nutrition program applicants may falsely report that they are homeless or that they have no one else living in the home and that staff must accept those statements, even when evidence suggests otherwise.
5. Program exemptions: The food and nutrition assistance program requires some recipients to be employed or be in training within a specified amount of time or lose benefits. The program has added so many exemptions to that requirement so that recipients can self-report that they qualify for an exemption and receive one.
6. Program loopholes: Medicaid program in some instances may contribute to substance abuse by paying for treatment at pain clinics, in effect subsidizing an individual's abuse of certain drugs. Again, verification requirements are weak and based on an individual's self-reporting.

MCDOWELL COUNTY SCHOOL SYSTEMS

The McDowell County School System is the connection point with the county’s future workforce. They partner with local employers, the McDowell County Workforce Pipeline Committee, and other community organizations to educate students about the career and employment opportunities available in McDowell County.

The SEPI team made a presentation to McDowell County School System counselors, social workers, and teachers and participated in a discussion about local workforce nonparticipation and underemployment. The team was interested in the group’s views on the opportunities and challenges students have in transitioning into the workforce, the opportunities and challenges school staff face as they work with and prepare students for the workforce or post-secondary education, and what they need most to improve their delivery of educational and workforce preparation services to students.

The McDowell County School System offers the following workforce preparation opportunities; a 5th grade job fair, the Girls and Guys Apprenticeship Program(GAP,) Career Awareness and Readiness Program (CARP), manufacturing facility tours, job shadowing, career and technical education classes, pre-apprenticeships with local manufacturers, and internships with a variety of local businesses, and a Senior Career Fair.

Some of the challenges facing students include:

1. Substance abuse: school staff teach and counsel students of all ages (K-13) who either live in an environment where drug use is present, and/or with students who have developed substance abuse issues themselves.
2. Mental and behavioral issues: mental health and behavioral issues as well as trauma are affecting increasing numbers of students, even those as young as elementary school age.
3. Disconnection from the educational process: students do not seem to grasp the importance of education in the context of a more productive and secure future. Students’ disconnection from the educational process may extend to a disconnection from work as well.
4. Generational and cultural attitudes: the belief in the value of an education and the value of work are not being communicated as much as is needed. Some students voice the opinion that other family members do not have education and/or jobs and “they are fine.”

School staff cited student disconnection and generational and cultural attitudes as challenges they face in working with students. They also indicated the need for additional counselors, social workers, nurses and support staff to work more effectively with their students.

Current graduation data for the McDowell County School System is included below:*

Local Educational Agency	McDowell High School	Alternative Edu. Ctr.	Early College	State	
14-15:	80.4%	83.0%	52.9%	100%	85.6%
15-16:	81.6%	84.7%	64.7%	97.6%	85.9%
16-17:	85.3%	88.4%	54.5%	100%	86.5%

*McDowell County School System

MCDOWELL COUNTY NCWORKS CAREER CENTER

The NCWorks Career Center is an integral connection point for McDowell County workforce participants, nonparticipants, and employers. The career center is a partnership between the NC Department of Commerce's Division of Workforce Solutions and McDowell Technical Community College and offers workforce development and training services to individuals as well as recruitment, job listing, and labor market information assistance to employers.

The career center works with individuals seeking a career change, the unemployed and underemployed, and individuals seeking to transition into the workforce. The SEPI team was interested in front-line staff's perception of local workforce issues and barriers as well as their ideas on ways the center could improve its delivery of services to individuals and employers.

Center staff named the following three barriers to local workforce participation:

1. Substance Abuse
2. Criminal Background
3. Age

Lack of transportation, child care and/or a high school diploma or GED were also mentioned as barriers to employment. In addition, staff identified a disconnection between the job skills individuals have and the ones they need, especially for manufacturing positions.

Staff also pointed out two other issues affecting local workforce participation—unrealistic expectations on the part of both employers and the workforce and non-workforce and the need for employers to change their approach to recruitment and retention. Employers should recognize that individuals moving into the workforce may need additional on-the-job training and support to be successful.

The discussion then focused on what changes the staff feels would improve their delivery of services to both the workforce and to employers. Below are some of the recommendations:

1. Centers have focused on “integrating” their service delivery by cross-training staff to provide employment and career development services to customers. Staff wants to continue this process so that any partner staff assigned to the center is also trained to provide as many of the center's workforce and career development services as possible.
2. More staff, resources, and funding to provide intensive services to those individuals seeking to move into the workforce.
3. Have other community services staff regularly scheduled at the center so customers have one-stop access to various supportive services, and a database of community services and resources available to staff and center customers.
4. Ensure that every center customer has a resume posted in the NCWorks Online system.
5. Regularly scheduled employer feedback sessions so staff can gain a better understanding of employers' recruitment needs and how well staff is doing in referring candidates to employers.
6. Have front-line staff participate in more employer tours, job fairs, and community events.

MCDOWELL COUNTY SENIOR CENTER

The McDowell County Senior Center is a promising connection point with potential workforce participants. The SEPI team estimated 7,299 individuals ages 65 and up are not participating in the local workforce. Which means that out of the 8,247 individuals in that age group, 89% are not in the

workforce. Of those, 4,810 individuals between the ages of 65-74—even a 2% increase in workforce participation, or 96 additional workers, would be substantial.

With that in mind, the Initiative team spoke to front-line and supervisory staff of the Senior Center about the SEPI goal of moving more individuals into the workforce, and the possibility of designing a Return to Work program that would encourage those ages 65 and up to return to the work. The Senior Center could market and promote the program, either in conjunction with other community partners or as a center program. Some components of such a program might include:

1. Information about the financial impact of going back to work while receiving Social Security, Medicare and/or Medicaid.
2. Employers offering Return to Work incentives such as Medicare supplemental insurance.
3. Information on the diverse range of part-time and full-time job opportunities available in McDowell County.
4. Information about resources to assist individuals in going back to work, such as transportation, basic computer skills training, etc.
5. An awards program for individuals moving back into the workforce.
6. Companies offering part-time jobs in a flexible work environment.

The SEPI team and Senior Center staff also discussed what might motivate experienced workers to enter or re-enter the workforce. The three main motivators mentioned were:

1. Flexible hours
2. Employment that is less strenuous
3. Doing what you want

Senior Center staff also expressed the view that both employers and the local community have certain responsibilities in promoting local workforce participation. The comments expressed by the Senior Center staff supported those voices throughout the interview and focus group meetings.

Responsibilities the staff felt employers need to embrace include:

1. Promoting a “family atmosphere” in the workplace to gain the trust of employees.
2. Be willing to seek out employee input on workplace issues and listen to front-line employees.

Responsibilities the staff felt the local community needs to embrace include:

1. Promote and reinforce the value of work and that all work is important/has value
2. Be informed about employment opportunities and community services and resources.

EMPLOYER SURVEY RESULT

A comprehensive analysis of the issues and barriers affecting workforce participation and full employment would not be complete without input from the employer community. Employers serving on the McDowell County Workforce Pipeline Committee and the SEPI Steering Committee provided suggestions and feedback during the research phase of the initiative, and continue to participate as part of the SEPI review committee.

It was important to gather information on employers’ current recruitment, training and retention practices, as well as their suggestions for improvements to local workforce development and training services. The Initiative team received forty-seven (47) responses to the survey from a wide range of

industries. A summary of the survey results are provided here; a weblink to the survey is available in Appendix A. of the SEPI.

EMPLOYER SURVEY SUMMARY:

1. Twenty-six employers (55.32%) have 01-50 employees; fourteen employers (29.79%) have 51-249 employees and seven employers (14.89%) have 250 or more employees.
2. Sixteen employers (34.04%) are in manufacturing; sixteen (34.04%) are in Other (miscellaneous fields); eight employers (17.02%) are in Retail/Service; five (10.64%) are in Healthcare; and two (4.26%) are in Government.
3. Only 12.77% of the employers surveyed use federal hiring incentive programs such as the Work Opportunity Tax Credit and the Federal Bonding Program.
4. A majority of survey respondents (65.22%) provide formal orientations and training for new employees.
5. Less than one-half of the employers surveyed (48.94%) currently use the NCWorks Career Center and the NCWorks Online website for recruitment assistance.
6. Only 19.15% of survey respondents currently use MTCC pre-hire training services.
7. A majority of employers surveyed (59.97%) currently conduct pre-employment drug testing.
8. Some employers (24.44%) said they would be open to instituting flexible hiring practices such as job sharing (hiring two part-time workers to fill one full-time job). Almost one-half (46.67%) responded they might be open and 28.89% said they would not be open to flexible hiring practices.
9. A majority of the employers (77.47%) will consider hiring individuals who have just completed high school.
10. Only 36.17% of the employers surveyed currently use staffing services 63.83% do not.
11. The top three recruitment issues for employers are: candidates' lack of job-specific skills; deficient work history; and lack of employability/personal skills.
12. The top three reasons for turnover are: absenteeism; rules/policy violations; and leaving employment for personal reasons.

The last survey question asked employers how local workforce development and training services could be improved. These suggestions have also been included in the Recommendations section.

EMPLOYER SUGGESTIONS FROM THE SURVEY:

1. Teach honesty
2. Exposure for the company with the CARP program and LINC - will greatly help recruitment.
3. Help companies with the screening process.
4. Encourage industry to offer mid-level management training.

5. Start Trade courses currently offered in high school in middle school.
6. An overall adjustment of attitude, discipline and responsibility instilled in the younger workforce.
7. Teach potential employees how important it is to have high energy units (drive/motivation).
8. More training of employees on career/job coaching with emphasis on helping people learn what it takes to maintain a job, what employers expect, and their personal responsibility in the process. Also, assistance in helping employees find jobs that fit their personality and skill set are needed.
9. More programs with hands-on education and exposure to variety of jobs in manufacturing.
10. Classroom certification is helpful but hands-on training needed.

KEY FINDINGS

The focus of the *Strategic Employment Plan Initiative* was to identify McDowell County workforce nonparticipants and the underemployed, to more clearly understand the reasons for their nonparticipation and underemployment, and to explore ways to move these individuals into the workplace and full employment. The initiative also wanted to create a set of **Key Findings** and **Recommendations** to serve as a basis for an implementation phase of the SEPI.

Based on the statistical research, individual interviews, focus groups, online surveys and community presentations, the initiative has prepared the following Key Findings. The research revealed there are an estimated 4,328 individuals in the 25-64 age bracket that are not participating in the workforce. Looking deeper at the data the SEPI team then broke down the information to identify the reasons for their nonparticipation. This information will assist SEPI shareholders in addressing these issues and finding solutions for the implementation phase of the SEPI. A significant opportunity exists to move these individuals from workforce nonparticipation to participation.

REASONS FOR NONPARTICIPATION:

1. **Retirement:** There is a large percentage of individuals (88.5%) ages 65 and older that are not in the workforce because of retirement. Transportation and flexible hours may contribute to this group's lack of participation.
2. **Home Responsibilities:** Citing responsibilities at home including child or elderly care, 39% of resident's ages 25-64 are not in the workforce. .
3. **Illness or Disability:** An estimated 1,255 individuals do not participate because of illness or disability. Local workforce and training agencies could design outreach strategies that would increase awareness of suitable work opportunities, and of the employment and training assistance available for those who may be able to move into the workforce.
4. **Other Reasons:** An estimated 1,538 residents are nonparticipants for reasons other than the above; and are not in school. An estimated 715 of these residents are ages 16-24, and 563 of

these residents have earned wages in the past year. Addressing issues and barriers to employment such as lack of transportation and child care, and increasing awareness of and access to workforce and training services, could allow many in this category to obtain and retain employment.

REASONS FOR UNDEREMPLOYMENT:

5. **Involuntary underemployment:** An estimated 657 residents work part time but desire full-time employment. Again, addressing issues and barriers to full employment and increasing awareness of and access to workforce and training services, could allow many in this category to obtain and retain full-time employment...

WORKFORCE MIGRATION:

6. There are an estimated 4,884 individuals working outside of McDowell County. A program to highlight comparable employment opportunities within the County should be developed.

WORKFORCE ISSUES AND BARRIERS:

7. Individuals in the aggregate groups of workforce nonparticipants may move in and out of the workforce throughout their adult lives. Ensuring that these individuals are knowledgeable of and have easy access to workforce development, training, and supportive services is essential for increased workforce participation.
8. Workforce, training and community services agencies still operate to a large extent in silos. Increasing workforce participation will require an increased collaboration and alignment of workforce, training, and community services.
9. Lack of marketing and financial resources to education McDowell County residents about different types of local job opportunities available. Effective marketing strategies and financial resources are needed to educate McDowell County residents about the different types of local job opportunities available. This will raise awareness of the workforce, training, community services, and programs that are available to assist individuals with transitioning into full or enhanced employment.
10. Lack of training for front-line and supervisory staff of workforce training and community service agencies, and organizations about the programs and services each of their agencies and organizations offers.
11. Lack of continuing education of front-line and supervisory staff of workforce, training and community service agencies, and organizations effectively working with diverse and special populations such as veterans, former offenders, individuals with disabilities, and minorities.
12. Lack of financial resources for workforce assessments such as the Career Readiness Certificate, (CRC) and for increased supportive services for individuals enrolled in workforce training programs.

13. Ineffective marketing of services and resources available to McDowell County residents that encourage workforce participation as an admirable goal.
14. Lack of a comprehensive network for the dissemination of information on jobs, workforce development and training, and community services available in McDowell County, such as the website www.gotomcdowell.com.
15. There are hidden penalties for employment built into many public assistance programs, and no incentives for transitioning into the workforce. These issues have led to cultural and generational barriers to workforce participation and full employment, as well as a devaluation of the value of employment.
16. Ineffectiveness of employer's recruitment, retention, training and workplace practices and policies to recruit from diverse, special and nontraditional populations, treating their employees as internal customers, and understanding the different motivations individuals may have for seeking work.

Again, the primary findings of the SEPI research are that many opportunities exist to increase local workforce participation. The effort needed to execute and sustain the SEPI recommendations will be substantial, and an implementation stage as a next step will be crucial to success.

RECOMMENDATIONS

“It takes a community to transform a workforce”

The recommendation section of this report is divided into two parts. Five significant findings were identified as a result of the survey, interviews, and focus group processes previously discussed. These five recommendations include agency integration, additions to transit system to serve workforce and community college (training) needs, increased child care services, workforce migration, and substance abuse. The second series of recommendations are agency specific and result from meetings with front-line and supervisory staff of these agencies as well as feedback from the other aforementioned processes.

Agency Integration:

McDowell County has an excellent framework of collaboration and partnership among its workforce, training, and community support agencies and organizations. Yet, many of the SEPI interview and focus group participants spoke of the need for a better working knowledge of other service providers in the county. With a clearer understanding of each other's programs and services, staff will be able to more effectively deliver services to residents. They will also have a greater appreciation of how their services and programs can contribute, directly or indirectly, to increased workforce participation.

Interview and focus group participants, as well as employers, also expressed concern that the value of work was no longer an accepted norm and that employment is now viewed as an option, not a goal. Local workforce, training, and community service agencies and organizations need to adjust their service delivery to the greatest extent possible so that employment as a goal is embedded in their service delivery.



Recommendation: Develop an employment-centric view of service delivery by designing a “*Raise Employment Awareness*” campaign for McDowell County workforce, training and human services agencies, and organizations.

The campaign would educate front-line and supervisory staff of workforce development, training and human services agencies, and organizations about each other’s programs and services. It would also demonstrate how those programs and services assist, either directly or in support of, an individual’s transition into the workforce or into full and/or more productive employment.

The purpose of the campaign would be to ensure that workforce, training, community and human services agencies, and organizations discuss and promote employment and the value of it, as much as possible in their service delivery. The fact that individuals move into and out of the workforce, and that today’s workforce nonparticipant may be tomorrow’s jobseeker is a great reason to embed employment related information into as many community and supportive service activities as possible.

There are various ways to educate staff and embed employment-related information: marketing materials, YouTube videos; desk guides; single portal websites (**gotomcdowell.com**); cloud- based applications (**Symbaloo**); interagency presentations; etc.

Transportation:

Most of the participants in the individual interviews and focus groups cited lack of transportation as one of the top three barriers to employment. The cost of owning and operating a vehicle can be prohibitive for the underemployed, and a vehicle for each wage earner in a household may be out of reach as well. Having to share a vehicle between wage earners, or having unreliable transportation can affect an individual’s ability to obtain and retain employment. The county now has a public transit system that has the potential to grow and serve a significant portion of the county.

Recommendation:

A continued analysis of the county’s transportation needs in relation to workforce development and training is warranted. Discussions are currently underway on the feasibility of designating vans for employment routes, as well as service availability throughout the day to McDowell Technical Community College. The implementation of designated employment routes for workers and increased access to McDowell Tech Community College for skills training has the potential to increase workforce participation and skill enhancement opportunities.

In addition, there is public assistance available through a Department of Social Services program that provides funding to income eligible individuals to repair vehicles, including tire replacement. The requirements and allowances for this program could be promoted to both employers and automobile repair businesses.

Child Care:

An estimated 1,688 McDowell County residents ages 25-64 are out of the workforce because of Home Responsibilities (caregiving). At this time, it cannot be estimated how many of those individuals might become workforce participants if more affordable and/or off-shift child care were available. Lack or loss of affordable and/or reliable child care also may be a reason for individuals to be nonparticipants or involuntary part-time workers. The feedback received from employers was that limited and unaffordable daycare was a major barrier for many people.


Recommendation:

The Department of Social Services and McDowell County employers should explore the idea of a public-private partnership to provide child care services for employees. Several industries expressed an interest in partnering with child care providers or DSS that would provide this service even on a limited basis.

The Department of Social Services currently serves 300 children and has a waiting list of 92 children. The income limits for child care assistance are low so there are a lot of children that do not qualify for any DSS child care assistance. DSS also estimates that if more funding were available, they could accommodate the 92 children on the waiting list.

Workforce Migration:

Current commuting patterns suggest an opportunity to increase the number of available workers in McDowell County. An estimated 4,884 individuals commute outside of McDowell County to work each day, while a substantial number of individuals from surrounding counties commute into McDowell County for work.

Recommendation:

A “Work in McDowell” initiative should be undertaken to promote available jobs within the county, and should include a cost-benefit analysis of commuting. A 10% reduction in commuter outflow would add 488 additional workers to the local economy. The Initiative could also explore increasing in-migration of workers from surrounding counties.

Substance Abuse:

Interview and focus group participants, as well as employers, cited substance abuse as a significant issue affecting local workforce participation. Statistics are not currently available on the number of job applicants not hired because of failed drug tests, but survey information and focus group feedback confirmed a serious substance abuse problem in McDowell County. The nationwide opioid crisis and its negative impact on workforce participation is also well documented. McDowell County service providers and community groups have acknowledged the seriousness of this problem, and have taken steps to address it in a comprehensive and sustainable way by setting up the Substance Use Disorder work group under the umbrella of the McDowell Health Coalition’s Wellness POD.

Recommendation:

Workforce, training, and community support groups should continue to contribute information and resources as they can to the Substance Use Disorder work group. A request will be made to the McDowell Health Coalition to share the work group’s efforts in a systematic way with the McDowell County Workforce Pipeline Committee in order to facilitate coordination with industry and the business community.

Specific Agency Recommendations

Department of Social Services (DSS):

Front-line and supervisory staff are very aware that the Medicaid and food assistance regulations as currently written present a major disincentive to full-time employment. The staff also recognizes that programs that rely on self-reporting (as the food and nutrition program does) invite abuse, waste, and fraud.

A sizeable number of Medicaid and food and nutrition services program participants are ages 25-64. With strategic adjustments to program regulations, many of these individuals might be able to participate, or more fully participate in the local workforce.

DSS staff have been very proactive in implementing internal changes that will emphasize employment and training opportunities to their program participants and are eager to partner with the NCWorks Career Center and area employers.

Recommendations:

Develop concrete proposals to replace current federal and state regulatory barriers to employment in these programs and replace with regulations that incentivize workforce participation and reward job retention. Some proposals include:

1. Require adults to work in order to receive Medicaid, and increase the income limits so participants don't lose their benefits when they reach those limits. This would move more residents into the workforce and allow some residents receiving Medicaid to move from part-time to full-time employment.
2. The NC Health Choice Program should be expanded to offer more programs for households with higher incomes. This expansion could include higher fees, but still remain much more affordable for families purchasing family health plans through their employer.
3. Stricter verification policies for the Food and Nutrition Services and Medicaid programs, and harsher penalties for intentional program violations.
4. Require food and nutrition services recipients to pursue child support on absent parents when applicable in order to decrease program expenditures.
5. Advocate for the redesign of the Medicaid and food and nutrition services programs so they are short-term, limited programs with a focus on transitioning recipients into the workforce.
6. Introduce a more robust qualifying process for public assistance with less reliance on self-reporting.

DSS staff also should continue to build and maintain strong partnerships with workforce development and training providers and employers to hold on-site workshops and job fairs for their customers.

McDowell County Senior Center:

There may be a significant number of individuals ages 65 and older willing to participate in the local workforce under certain circumstances. Senior Center staff were enthusiastic about a "Return to Work" program for this age group and offered insights into what would motivate seniors to enter or re-enter the workforce.


Recommendations:

Pursue a “Return to Work” program for experienced workers with the Senior Center and/or other workforce partners such as the NCWorks Career Center.

McDowell County Schools:

The county’s school system Pre K-13 has developed an effective partnership with employers and with McDowell Technical Community College which has resulted in a number of innovative programs to educate students about local employment and career opportunities.

Recommendations:

Continue to collaborate with the McDowell County Workforce Pipeline Committee and area employers to expand participation in current workforce preparation programs such as the Career Awareness Readiness Program, pre-apprenticeships, and student internships.

Increase students’ awareness of different career pathways via virtual tours and printed materials provided by employers.

Explore ways to increase parent involvement in employer tours and the Career Fair.

Increase students' knowledge of local employers by incorporating employer information into math, geography, and related classes.

Honor all high school graduates, not just those that are continuing on to a four-year university. Graduates entering the workforce or the military upon graduation should be congratulated and honored, as should those continuing on to a community college or other technical training facility. This would communicate the value of all the various pathways to employment, as well as the concept that all work is important.

Make certain every graduating senior has a resume, knows how to complete an employment application and has basic interviewing skills.

One recommendation of the SEPI is that educational and workforce entities develop a marketing strategy to promote nontraditional jobs and career pathways to both females and males.

McDowell Technical Community College (MTCC):

MTCC has collaborative relationships with the McDowell County Workforce Pipeline Committee, the public school system, the NCWorks Career Center, and local employers, all of whom work together to design effective workforce and career development courses to increase workforce participation and enhanced employment.

Recommendations:

In conjunction with employers continue to develop Human Resource Development classes that focus on employability/personal skills, effective resume preparation, and navigating the employer application process.

Identify nontraditional jobs and career pathways for females, males, and diverse and special populations, and design a campaign to promote them to middle and high school students. These jobs and career pathways could also be promoted to nonparticipants and the underemployed by community



support agencies such as Department of Social Services, (DSS) and McDowell Access to Care and Health (MATCH)

Develop various marketing strategies that highlight all the career development products and services the college offers. One marketing strategy could highlight nontraditional career pathways for women, men, and diverse and special populations.

Not all career pathways are as well-delineated as manufacturing and healthcare; MTCC will explore ways to more effectively explain and market other career pathways.

NCWorks Career Center

Continue to collaborate with the McDowell County Workforce Pipeline Committee and area employers to more effectively market employers to customers.

Recommendations:

Continue to integrate partner services within the center so that every customer seen has a basic resume and/or online application in NCWorks Online that highlights experience and skill sets.

Explore ways to more effectively market the NCWorks Online Candidate Search function to employers, and ensure that all staff can navigate this function and be able to assist employers with search efforts.

Provide more on-site employer visits for front-line staff of center, and continue to invite employers from different career pathways to make presentations to center staff.

Explore ways to improve the Welcome and Assessment functions of the center by considering a triage approach to service delivery—what does a customer need most/first.

One recommendation of the SEPI is that educational and workforce entities develop a marketing strategy to promote nontraditional jobs and career pathways to both females and males.

Probation and Parole:

The SEPI was unable to arrange individual interviews and/or a focus group session with probation and parole front-line staff. At this time, the initiative is unaware of any specific employment and training programs this division may offer individuals on probation and parole.

Recommendations:

Continue efforts to meet with probation and parole front-line staff and supervisors to explore workforce related opportunities. Also, explore court-related programs that would tie employment to the probation and parole process and court sentencing.

Employers:

There was a consensus among interview and focus group participants, as well as anecdotal feedback from county residents, that some employers could do a better job of valuing their employees.

Employers also need to review their current recruitment, retention, and training programs to ensure they are as inclusive of diverse and special populations as possible.

Recommendations:

Develop virtual tours and/or YouTube presentations for company websites so workforce, training, and community services staff can access for their customers. These can be shown in high school and middle schools as well as to promote awareness of career pathways.

Create elevator speeches that highlight the benefits of working for your company for use at job fairs and community presentations.

Reassess recruitment, training, and retention processes, policies and procedures to ensure that diverse and non-traditional populations of job candidates are not being overlooked.

Ensure that any employees promoted to supervisory and/or management positions receive appropriate training—many employees cite issues with their supervisor as the reason for leaving a job.

Consider marketing your company to job candidates in much the same way you market your products to customers.

Be aware of generational and cultural components to recruitment and retention—what motivated another generation to seek and retain employment may not be what motivates another generation.

Keep notes on reasons for attendance issues, and conduct exit interviews with employees whenever possible to see if there are issues with compensation, working conditions, safety, supervision and/or training

Educational and workforce organizations can work with employers to develop marketing strategies that promote non-traditional jobs and career pathways.

At the end of the Employer Survey, employers were asked for suggestions on improving workforce and training services in McDowell County. Some of those suggestions are included here:

1. Teach honesty
2. Exposure for our company with the CARP, (Career Awareness and Readiness Program) and LINC, (Leadership, Involvement, Networking and Community) - will greatly help recruitment.
3. Help companies with the screening process.
4. Encourage industry to offer mid-level management training
5. Start trade courses offered in high school in middle school
6. An overall adjustment of attitude, discipline, and responsibility instilled in the younger workforce.
7. Teach potential employees how important it is to have high energy units (drive/motivation)
8. More emphasis on helping people in the area of maintaining a job, what employers expect, and their personal responsibility in the process. Perhaps some sort of career coaching in matching interests with job search to place people in a job that will offer them something beneficial
9. More programs with hands-on education and exposure to variety of jobs in manufacturing.
10. Classroom certification is nice but a hands-on training needed.

Access to Services:

Recommend having workforce satellite sites throughout the county so residents living outside of Marion can have physical access to workforce development and training information and services. These sites would include a computer(s) and someone to provide assistance as needed.

REFERENCES

1. U.S. Census Glossary https://www.census.gov/glossary/#term_Poverty
2. Bureau of Labor Statistics Glossary <https://www.bls.gov/opub/hom/glossary.htm>
3. Labor and Economic Analysis Division Glossary <https://www.nccommerce.com/Portals/47/Publications/USER%20GUIDES/Glossary>
4. July 2018 Bureau of Labor Statistics report “A Profile of the Working Poor, 2016” <https://www.bls.gov/opub/reports/working-poor/2016/home.htm>
5. The Hamilton Project-Brookings August 2017 Economic Analysis entitled “Who’s Out of the Labor Force” by Diane Whitmore Schanzenbach, Lauren Bauer, Ryan Nunn, and Megan Mumford. www.hamiltonproject.org/papers/who_is_out_of_the_labor_force
6. 2018 North Carolina Economic Development Guide <https://businessnc.epubxp.com/t/13976-north-carolina-economic-development-guide>
7. Bureau of Labor Statistics Current Population Survey <https://www.bls.gov/cps/data.htm>
8. NCWorks Online LMI www.ncworks.gov
9. American Community Survey 2012-2016 Five Year Estimates Series DP03 https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_16_5YR_DP03
10. **Measure of America’s** Youth Disconnection Project. The youth disconnection rates above are Measure of America calculations of data from the US Census Bureau’s annual American Community Survey. State, congressional district, and metro area data are from 2016. Time series data are one-year estimates from the relevant year. County data are from 2012–2016. Read the full methodological note [here](https://measureofamerica.org/DYinteractive/#County), <https://measureofamerica.org/DYinteractive/#County>
11. U.S. Census American Community Survey <https://www.census.gov/programs-surveys/acs/>
12. American Community Survey 2012-2016 Five Year Estimates Series <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>
13. AccessNC <https://accessnc.nccommerce.com/DemoGraphicsReports/pdfs/countyProfile>
14. March 2018 Bureau of Labor Statistics article, Who Chooses Part-Time Work and Why <https://www.bls.gov/opub/mlr/2018/article/who-chooses-part-time-work-and-why.htm>
15. July 2018 Bureau of Labor Statistics Report entitled A profile of the Working Poor 2016 <https://www.bls.gov/opub/reports/working-poor/2016/pdf/home.pdf>
16. <https://www.thebalance.com/underemployment-definition-causes-effects-rate-3305519>: The Balance Underemployment, with Its Causes, Effects, and Rate
17. July 2018 AccessNC McDowell County Demographic Profile

- 
18. February 2011 Harvard Graduate School of Education Pathways to Prosperity Project
[https://www.gse.harvard.edu/sites/default/files/documents/Pathways to Prosperity Feb2011-1.pdf](https://www.gse.harvard.edu/sites/default/files/documents/Pathways_to_Prosperty_Feb2011-1.pdf)
 19. U.S. Census Glossary at [https://www.census.gov/glossary/#term Poverty](https://www.census.gov/glossary/#term_Poverty)
 20. AccessNC 2015 McDowell County Commuting Report
https://accessnc.nccommerce.com/DemoGraphicsReports/pdfs/CommutingProfiles/LED_37111.pdf
 21. BLS News Release “PERSONS WITH A DISABILITY: LABOR FORCE CHARACTERISTICS — 2017” <https://www.bls.gov/news.release/disabl.nr0.htm>
 22. Disability and the Differential Impact by Age and Sex on Work: A Portrait of Older Persons Working with a Disability” by Samantha Sterns Cole, PhD, The Work and Family Research Network Conference, June 24, 2016
 23. McDowell County School System



APPENDIX

1. Employer Survey

https://www.surveymonkey.com/analyze/6BKW2lK7xNerL2ENY72JsLwyZwwxiCQZEDEMWBdKHSs_3D



SEPI COMMITTEE

<u>NAME</u>	<u>TITLE</u>	<u>EMAIL</u>
Chuck Abernathy	Executive Director MEDA	charles.abernathy@mcdowelleda.org
Jerry Broome	Bus. Service Rep.	jerryb@mcdowelltech.edu
Brandon Ruppe	Bus. Service Rep.	bruppe@regionc.org
Diana Love	SEPI Coordinator	dlove@regionc.org
Steve Lockett	Director of Economic, Community and Workforce Development	slockett@regionc.org

CONTACTS

Strategic Employment Plan Steering Committee

NAME	AGENCY/COMPANY	EMAIL
Chuck Abernathy	MEDA	charles.abernathy@mcdowelleda.org
Ashley Boone	MEDA	meda@mcdowelleda.org
Bob Boyette	City of Marion	bboyette@marionnc.org
Jerry Broome	Region C WBD	jerryb@mcdowelltech.edu
Steve Bush	Chamber	sbush@mcdowellchamber.com
Nick Byrd	Health Coalition	nickbyrdmchc@gmail.com
Will Caldwell	NCWorks	william.caldwell@nccommerce.com
Penny Cross	MTCC	pennycr@mcdowelltech.edu
Lisa Ellis	Baldor	lisa.ellis@baldor.abb.com
Stefan Fehr	Baxter	stefan_fehr@baxter.com
Sarina Gambino	Baxter	sarina_gambino@baxter.com
Jackie Godlock	Vocational Rehab.	jackie.godlock@dhhs.nc.gov
Natalie Gouge	MCS	natalie.gouge@mcdowell.k12.nc.us
Sherry Hensley	Manpower	sherry.hensley@manpower.com
Jeff Judd	MEDA Board	jeffmjudd@gmail.com
*Steve Lockett	WDB/IPDC	slockett@regionc.org
Diana Love	WDB	dlove@regionc.org
Nikii Pittman	CFP	npittman@columbiaforestproducts.com
Bill Robertson	IPDC/WDB	brobertson@regionc.org
Nancy Spencer	Spencer's Hardware	nancys@spencershardware.com
Lisa Sprouse	DSS	lisa.sprouse@mcdowellcountyncdss.org
Ginger Webb	Comm. Engage.	gingerwebb@mcdowelltech.edu

* **ex officio**