



STRATEGIC WORKFORCE ACTION AGENDA

A Sustainable Sioux Falls Workforce

While greater Sioux Falls continues to experience population and economic growth above and beyond state and national averages, warning signs have surfaced that this growth may not be sustainable unless certain actions are undertaken to enhance the region's workforce availability and skills mix. This leads to the question, "**How can we best prepare our workforce to ensure that we are fully prepared for the opportunities to come?**"

To answer this question and take stock of the region's overall talent capacity, Forward Sioux Falls and its partners engaged

Market Street Services to facilitate a six-month process that assessed where the Sioux Falls region is now in terms of its competitive position; provided an in-depth understanding of both short-term education and training needs and the sustainability of the workforce, and resulted in the development of a Strategic Workforce Action Agenda complete with tangible actions and initiatives to ensure that regional employers have access to a sustainable pipeline of trained talent now and into the future.

The following comprised the stages of the strategic process:

- PHASE 1 **PROJECT INITIATION AND STAKEHOLDER INPUT**

The six-month process began with a familiarization tour of the region and a series of focus groups and interview sessions. Input session participants provided feedback about a broad array of competitive issues and also drilled down on issues related to short and long-term workforce needs and opportunities.
- PHASE 2 **COMPETITIVE ASSESSMENT**

This report provided an analysis of the Sioux Falls area's competitive dynamics to assess how the region is performing compared to ten top peer and inspirational regions and also evaluates the Sioux Falls area compared to its performance in years past.
- PHASE 3 **WORKFORCE SUSTAINABILITY ANALYSIS**

This phase of the process took the Workforce Competitiveness scorecards from Phase 2 a step further by adding a detailed analysis of how well the region is positioned to take advantage of future economic opportunities while also filling immediate workforce needs.
- PHASE 4 **STRATEGIC WORKFORCE ACTION AGENDA AND IMPLEMENTATION GUIDELINES**

The Strategic Workforce Action Agenda built on the findings from the first three phases. After the Action Agenda outlined the region's workforce strategy, **Implementation Guidelines**, were developed that addressed how the Action Agenda can be operationalized.

KEY COMPETITIVE ASSESSMENT FINDINGS

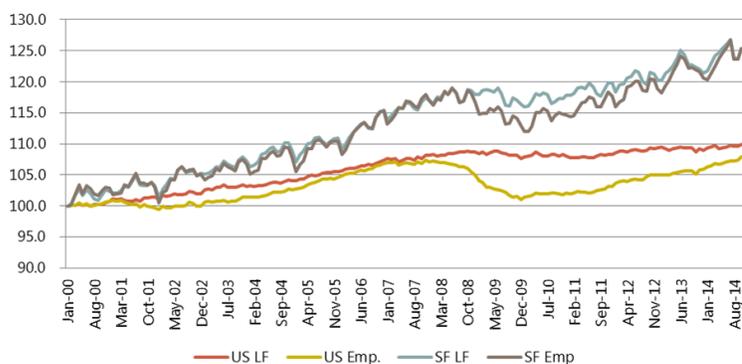
SIoux FALLS AREA'S INNOVATION AND ENTREPRENEURSHIP CAPACITY

- Ranked low overall for Innovation and Entrepreneurship indicators
- Lack of a major research presence dragged down the region's aggregate ranking
- Ranked high for startup activity and sole-proprietor income, ranked low for percent self-employed
- Number of small business loans per 1,000 establishments was very competitive

SIoux FALLS AREA'S ECONOMIC PERFORMANCE

- Current unemployment rates and 5-year growth rates are strengths, but the 1-year growth rate was average
- Gross metro product per worker was second among competitors, while exports were less competitive
- Aggregate ranking across all Economic Performance indicators was second among comparison regions
- Finished strongest for indicators in the Wages, Income, and Poverty category, including wage increase, per capita income rate and change, and measures of total and child poverty

Employment and Labor Force, US and Sioux Falls MSA (Indexed Jan 2000=100)



SIoux FALLS AREA'S WORKFORCE CAPACITY

- Population increases and labor force growth in metro Sioux Falls have slowed in recent years
- Nearly half of the Sioux Falls MSA population between the ages of 18 and 24 had some college experience or an associate's degree
- Age composition dynamics are competitive
- The most notable increases in greater Sioux Falls workforce competitiveness can be seen in the region's rise in its adult population with a bachelor's degree or higher

SIoux FALLS AREA'S QUALITY OF LIFE

- Attitudes about quality of life in the region were nearly universally positive
- Current and 5-year trend rates of violent and property crime were comparatively elevated
- Commute times were short, but Sioux Falls had the lowest rate of carpoolers
- Cost of living & housing prices are slightly higher, but percent of renters spending more than 30% of income on rent was low
- Health rankings were mixed

SIoux FALLS AREA'S BUSINESS ENVIRONMENT

- Region ranked 3rd overall among competitor metros for Business Environment
- Transportation: high rankings for air passenger indicators, lower rankings for air freight and public transit
- Low cost of doing business is a strength
- Total tax index is competitive
- State level rankings related to business and jobs outcome and policy were less competitive

KEY WORKFORCE ANALYSIS FINDINGS

LABOR MARKET

- An extremely tight labor market is causing thousands of positions to remain unfilled, many of them in lower-skill, lower-paying occupations
- Fewer employment opportunities at the higher end of the skills spectrum have left many workers “underemployed”

UNIVERSITY CENTER

- Challenges the University Center (UC) faces from competition with private online colleges and the state’s main four-year public campuses put the Center’s programs in peril
- Attempts to attract more “traditional” students will be difficult but necessary if the UC is to optimize its impact on the local training pipeline

K-12 EDUCATION

- An increasingly low-income population with a growing percentage of limited-English-proficiency students challenges K-12 educators to effectively present career opportunities to these youth and train them for college and the work-place

TECHNICAL EDUCATION

- A long-held bias against career and technical education and skilled trades positions has resulted in a shortfall of applications for slots in certificate and two-year degree programs
- The Build Dakota program is evidence that awareness of the need for technical education and trades workers has reached a critical mass

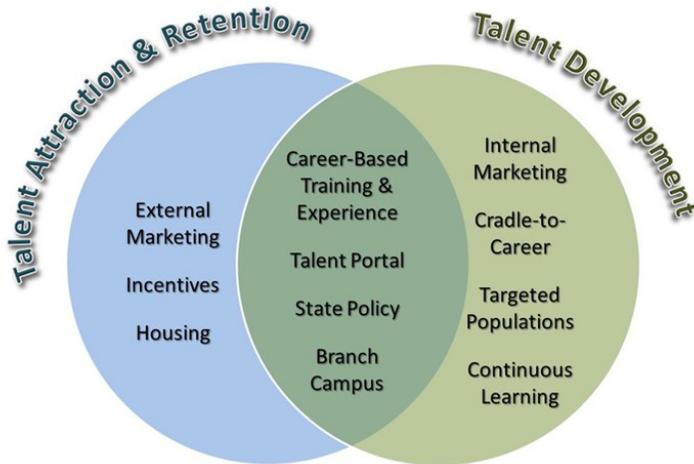
HIGHER EDUCATION

- The state’s lack of a traditional community college system has resulted in a structural disconnect between technical institutes and four-year colleges that limits credit transferability and often drives students outside South Dakota to finish their degrees
- The lack of a four-year, public university campus reduces the Sioux Falls region’s capacity to produce graduates in fields requiring a bachelor’s degree or higher

HARDEST JOBS TO FILL PER SURVEY OF EMPLOYERS:



STRATEGIC ACTION AGENDA



The Action Agenda is structured according to two principal Goal Areas and associated Strategic Focus Areas that combine to position the region for success in education and training capacity and performance.

1.0 Talent Attraction and Retention

Retaining skilled talent graduating from local high schools and colleges is essential to sustaining a competitive workforce. As the Sioux Falls Area's tightening labor market has shown, the region will not be able to sustain its workforce without a robust and steady infusion of diverse talent from outside the region and, increasingly, beyond the state of South Dakota to the entire Midwest.

1.1 EXTERNAL MARKETING: Marketing the Sioux Falls region to outside talent will be important for high-end targeted occupations.

1.2 INCENTIVES: Nearly every U.S. region of size is now marketing externally to talent, so for some communities it will likely take additional incentives to be successful in the competition for the best and brightest workers.

1.3 HOUSING: Sufficient provision of multiple types of quality residential options at multiple price points is a key requirement for ensuring long-term workforce sustainability.

2.0 Talent Development

There can be no denying that the alignment of local training pipelines with the jobs being created in the regional economy improves not only the chances of graduates to find quality work but also the ability of companies to sustainably expand their businesses. Strategies to enhance the capacity and output of the Sioux Falls Area's talent-development systems must acknowledge both the perception and reality of training demands and opportunities.

2.1 INTERNAL MARKETING: An internal marketing campaign will focus on the benefits of the skilled trades to help parents and students understand that there are viable and lucrative options to a traditional four-year degree path.

2.2 CRADLE-TO-CAREER: An "alignment coalition" of education, business, social services, and other partners is the best way to ensure that training efforts are optimally coordinated, measured, and sustained.

2.3 TARGETED POPULATIONS: To ensure that greater Sioux Falls' international populations have access to higher-paying careers, and receive follow-up assistance beyond initial stabilization in their new communities, new solutions will require additional capacity to create and implement programs.

2.4 CONTINUOUS LEARNING: There are many existing and potential opportunities to reposition incumbent workers for careers in demand. These may either be with their current employer or perhaps with another Sioux Falls Area company.

3.0 Shared Focus Areas

A number of proposed strategies in the Sioux Falls Area's Strategic Workforce Action Agenda have applications to both Talent Attraction and Retention and Talent Development.

3.1 CAREER-BASED TRAINING AND EXPERIENCE: A stated goal of the proposed cradle-to-career coalition (Focus Area 2.2) should be to formalize linkages and partnerships between Sioux Falls Area businesses and education and training providers.

3.2 TALENT PORTAL: It is important that a "home base" exists for local and external talent looking to learn more about greater Sioux Falls and be connected to potential employment opportunities and networks.

3.3 STATE POLICY: Certain of the Sioux Falls Area's workforce development challenges relate directly to state-level policies that impact funding for public education (and, therefore, teacher salaries) and governance structures of South Dakota's technical institutes that complicate linkages to four-year institutions and businesses.

3.4 BRANCH CAMPUS: Public input participants feel that the lack of a four-year public university campus in the community notably limits its ability to attract and retain top talent. Seeding and developing a public campus in the Sioux Falls Area will require years-long effort and steadfast determination.