ST. LAWRENCE COUNTY

STATE OF THE WORKFORCE REPORT 2004

February 18, 2005

ST. LAWRENCE COUNTY
WORKFORCE INVESTMENT BOARD
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INTRODUCTION

The St. Lawrence County Workforce Investment Board (SLCWIB) has prepared this *St. Lawrence County State of the Workforce Report 2004* to provide the SLCWIB, its partners, and other interested parties with a summary of issues and empirical data that can be put to use as the County tries to prepare its workforce for the opportunities and challenges that it faces during the next five years.

The workforce report constitutes one part of a four-part planning process that the SLCWIB has been pursuing since the spring of 2004. The other three components include the workforce summits, a strategic plan, and the County's Comprehensive Economic Development Strategy.

On June 10 of last year the SLCWIB hosted its "Workforce Summit 2004: Preparing Today's Workforce for Tomorrow's Jobs." The summit, held at SUNY Canton, was attended by almost 200 County decision makers and that featured Ed Barlow, a noted futurist specializing in national workforce issues, as the keynote speaker. Discussions at the summit's breakout sessions were organized by five of the County's major industrial sectors – education, health care, manufacturing, retail, and services. In the breakout sessions the summit's participants identified the major and minor issues that they believe characterize the workforce situation in St. Lawrence County. The issues and data summarized from the summit's breakout sessions have helped the SLCWIB to organize and focus this report.

Since before the summit – and continuing through the rest of 2004 – the St. Lawrence County Workforce Investment Board has been preparing the strategic plan it will use to guide its own activities for the next few years. During the preparation of the plan, the SLCWIB further refined the issues that characterize the St. Lawrence County workforce situation. The SLCWIB completed and adopted its plan in January 2005. The SLCWIB expects that its strategic plan – and any actions that develop from it – will be coordinated with the revision of St. Lawrence County's Comprehensive Economic Development Strategy (CEDS).

The SLCWIB intends that the workforce report will summarize the key workforce and demographic data upon which the SLCWIB and its action teams will rely to base their work on an empirical foundation. By the same token, the report will also serve the same purpose in the revision of the County's CEDS and, through it, help ensure that workforce issues are intimately coordinated with the work of the County's economic developers.

ACTION DOCUMENT

The St. Lawrence County Workforce Investment Board is charged with devising policies and implementing programs to develop and maintain the St. Lawrence County workforce. In so doing it also ensures that the development of the workforce is coordinated with the County's other economic development initiatives. The report is intended to be a roadmap of the major workforce issues confronting the County from the perspective of the 2004 workforce summit. The SLCWIB intends that this report will summarize some of the empirical data on which the following groups can base their policies and programs in:

- The SLCWIB itself and its staff;
- Decision makers engaged in the major sectors of the County's economy – especially agriculture, education, health care, manufacturing, and retail/service sectors, as well as the government sector;
- The County's economic developers; and
- The County's business community and other employers.

The SLCWIB anticipates that the report will do more than provide data and stimulate discussion at all these levels – though it *is* intended to do these things as well. The SLCWIB expects that the report will put a "line in the sand" that all these groups can use as a starting point for focusing their actions on the workforce issues that pose critical threats and opportunities to the County as it attempts to reinvigorate its changing economy.

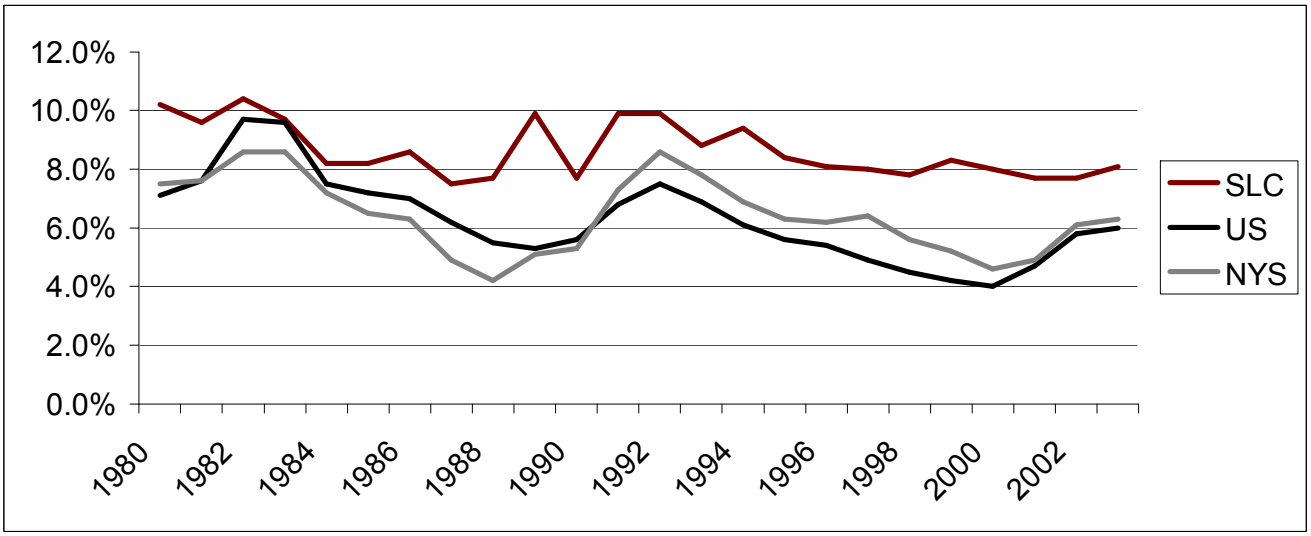
Make no mistake about it – the St. Lawrence County economy *is* under serious threat. The most obvious indicator of this fact is the 2000 census data reporting that the St. Lawrence County household income was $32,356, 25% less than New York State's and 23% less than the national average. But every coin has two sides; every threat can in theory also be viewed as an opportunity. The St. Lawrence County Workforce Investment Board hopes that this report will help the decision makers previously listed to turn threats into opportunities.

THREATS/OPPORTUNITIES

Certain facts about St. Lawrence County and its economy provide the empirical context within which any effort to upgrade the quality and quantity of the County's workforce must play out. For the most part, these are things that the County can't change substantially, at least not in the short run. St. Lawrence County is remote from any New York metro center and has no metro center of its own. It is served neither by any major four lane US interstate highway nor by any major in-county airport or passenger rail facility. It is a border community and, as such, often has more in common with communities in a foreign country, i.e., the Canadian communities north of the St. Lawrence River. The County's traditional economy can best be characterized as resource-based; dairy production and processing, wood products, mining, paper manufacturing, and primary metals processing have dominated the economy since the late 19th century. Nationally, many such enterprises entered into a prolonged and continuing decline in the mid-20th century, one factor that may explain the County's chronic high unemployment rate over the last 20-30 years. Since 1980, the County's annual unemployment rate has averaged 8.7% (about 2.5 percentage points higher than the US and State as a whole). The following graph illustrates this data:

GRAPH 1

Historical Average Annual Unemployment Rates



Data and observations gathered by the St. Lawrence County Workforce Investment Board from the June 10, 2004 summit's breakout groups, from the SLCWIB's own members, and from labor market sources suggest that the major threats/opportunities facing the St. Lawrence County workforce can be grouped under four general headings. They are:

- Structural changes in the County's economy;
- Changing skill requirements for the jobs available to job seekers;
- Demographic changes in the County's workforce; and
- Declining resources for workforce training and retraining.

Each general heading suggests multiple issues that should be addressed. The SLCWIB has singled out the 12 issues it thinks to be the most important for the development of the County's workforce. They are:

Structural Changes in the County's Economy

- Decline of the family farm economy;
- Decline in the traditional manufacturing sector; and
- Growth of the education, health care, government, and retail sectors.

Changing Skill Requirements

- Perceived deterioration of the "readiness to work" mindset in the workforce;
- Lack of match between the skills of new workers and the local jobs available for them (health care, education, skilled trades, etc); and
- Need to re-skill dislocated and older workers (workers laid off in manufacturing, unemployed farmers, retirees, etc).

Demographic changes

- Lack of population growth;
- Departure of best educated younger workers;
- Aging workforce; and
- Underemployment.

Resource Commitment

- Declining federal and State resources for workforce training and retraining; and
- Inefficiencies in the workforce training system.

In the pages that follow, the SLCWIB expands on these 12 issues and poses some questions that need to be addressed in connection with them.

STRUCTURAL CHANGES IN THE COUNTY'S ECONOMY

The basic question is what larger movements in the County's economy are driving changes in the County's job market.

Decline in the number of family farms

Between 1984 and 1999, the number of active farms operating in St. Lawrence County, many of them dairy enterprises, declined from 2,020 to 1,665 (17.6%), while the number of acres in production decreased by 18.5%. From 1997 through 2002, the number of dairy farms in the County dropped from 612 to 445 (27.3%) and the number of cows on them dropped from 39,532 to 38,018. But at the same time, milk production increased from about 585 million pounds to about 615 million pounds.

On the one hand, these changes in the County's agricultural infrastructure have created continuing workforce dislocation, as farmers (and people who used to be employed by them and by farm service businesses) have searched for new employment. On the other hand, many of the surviving farms have been increasing their production and technological sophistication. In view of this:

- How can the SLCWIB best assist the surviving farms by helping them to develop their workforce?
- How can the SLCWIB turn the dislocated owners and workers into assets through retraining?

Decline in traditional manufacturing sector

Between 1990 and 2003, the New York State Department of Labor reports that the number of people employed in manufacturing enterprises in St. Lawrence County declined from 5,700 to 4,100 (28.1%). This continues a trend that began at least 40 years ago.

It is faint consolation that St. Lawrence County's experience parallels that of the State and nation. Not only have job opportunities in manufacturing decreased, but the perceived quality of the remaining jobs has also declined because many of the manufacturing establishments who have closed or reduced the scale of their operations were among the higher-paying enterprises in the County.

As in the farming sector, the decline of manufacturing has created chronic workforce dislocation, as those thrown out of work by layoffs and early retirements at manufacturing facilities have searched for new jobs.

On the other hand, new manufacturing enterprises *have* relocated to or started in the County, some of them associated with emerging industries (e.g., medical devices, defense and security, etc). They often require a retrained workforce, and sometimes workers with skills that are dramatically different from those required by the old stand-by industries. With this in mind:

- How can the SLCWIB best assist the surviving manufacturers by helping them to develop their workforces and

otherwise improve their competitive positions?

- How can the SLCWIB turn the younger dislocated workers into economic assets through retraining?
- How can the SLCWIB best capitalize on early retirees who still want to work to increase the number of skilled workers employed in the County's economy?
- How can the SLCWIB best develop the workforce for the new manufacturing enterprises that are operating or will operate in the County?

Growth of education, health care, government, and retail sectors

Between 1990 and 2003 the number of people employed in educational enterprises in St. Lawrence County increased from 2,900 to 4,600 (58.6%). In health care establishments, the story is similar – a 40% increase (from 4,000 to 5,600). During the same period government employment increased by 10.2% (from 10,800 to 11,900), while the employment in the professional and business services sector has increased by 38.5% (from 1,300 to 1,800). On the other hand, the increase in retail trade was only 2% (to 4,900, from 4,800) during the same period.

These trends did not begin in 1990, nor are they unique to St. Lawrence County. But, their continued strength presents challenges and opportunities to the SLCWIB's workforce development effort. This is due partially to the fact that some of the positions (especially in retail and health care) are not noted for their high pay scales or generous fringe benefits, which creates serious issues of workforce placement and training. In addition, many of the positions are reportedly part time and contingent.

Finally, especially in government and education, the employed workforce is aging and decision makers voice serious concerns about the adequacy of the talents and skills of the replacement workers. Considering these factors:

- How can the SLCWIB best assist the health care and retail sectors to develop their workforces, both among the highly trained and those with relatively low skills, and at the same time increase the compensation levels for lower skilled workers in these sectors and/or convert part time and contingent workers into full time direct employees?
- How can the SLCWIB best help the educational and government sectors to replace their rapidly aging workforces with recruits who are well trained and prepared for their jobs?
- How can the SLCWIB take best advantage of the skills of retiring workers from the government and educational sectors, many of them who have elected early retirement but who would be willing to continue to work on a reduced scale?

CHANGING SKILL REQUIREMENTS FOR THE JOBS AVAILABLE TO JOB SEEKERS

The basic question is what the SLCWIB could and should do to assure the County's employers that their existing and prospective workforce will have the skills required to give them a competitive advantage.

Perceived deterioration of the readiness to work mindset in the workforce

Employers, both private and public alike, have consistently observed that workers, including those with high school and college diplomas, are increasingly displaying behaviors, e.g., carelessness about punctuality, drug use, heedlessness about job safety, lack of interest in learning new skills, and a general lack of professionalism. Not surprisingly, therefore, employers say that workers' readiness to work frequently fails to meet their expectations. Of course, such complaints appear to be a national – perhaps an international – phenomenon. Nonetheless, since this issue *is* much on the minds of the County's employers:

- Can the SLCWIB do anything to increase the likelihood that newer recruits to the workforce are better prepared to meet employers' basic expectations related to attitude, willingness to learn, and personal behavior?
- Can the SLCWIB do anything to remedy the perceived decline in workforce readiness among more mature workers?
- If so, what should be done, who should do it, and where will the money to pay for it come from?

Lack of match between skills of new workers & local jobs available for them

Employers lament that new workers' skill levels frequently fail to meet their expectations. In spite of the County's consistently high unemployment rate, employers in almost all sectors have pointed out that people with the right skills are hard to find, even when they are offering compensation that is better than the County average for similar jobs. Assuming the truth of these observations:

- How can the SLCWIB better meet employers' expectations regarding the development of a better match between workers' skills and the jobs' occupational requirements?
- Should and can the SLCWIB develop a disciplined local predictive labor demand system that will assess local employers' workforce needs over the long term and use this data as a basis on which to allocate private and public worker training resources?
- Should and can the SLCWIB put in place more appropriate systems to help new workforce recruits to make better career decisions, especially in the direction of those sectors where there are current shortages?

Need to re-skill dislocated and older workers

The structural changes in the County's economy have been attributed variously to technological change, foreign competition, demographic transitions, government macro-policies, limited infrastructure, and more. No matter what the causes, the County's need for workers with enhanced and updated skills, and perhaps even brand new ones, will not decline soon. In view of this:

- How can the County's secondary, post-secondary, and other worker education players provide training and educational choices to employees in demand occupations – training that is both accessible and affordable in a county that is the largest and one of the poorest in New York State?
- How should the SLCWIB go about developing and implementing a system that will provide working adults and early retirees with learning opportunities that will both enrich their lives and also re-deploy their experience and talents into the changing labor market?
- Where will the resources for such investments come from (employees? Employers? Public sources?) and through what sort of structure(s) will they be deployed?

DEMOGRAPHIC CHANGES IN THE COUNTY'S WORKFORCE

The basic question is what the SLCWIB could and should do to stabilize and sustain its workforce in view of the observed demographic realities.

Population growth stasis

For the last half-century the County's population has remained pretty much stable, hovering around 110-115,000. In itself this is a neutral observation, but all of the other demographic changes discussed below occur within the context of no-growth in this key demographic factor. A respectable argument can be made that economic growth is accompanied (*possibly even caused by*) population growth.

If there's any truth to this:

- Is there anything that the SLCWIB can do to develop in-migration of people with skills, capital, and/or enterprise ideas that would help the County both grow its population and import fresh thinking?
- If there is, how should such an effort be targeted – to particular skill sets, economic sectors, age groups, social groups, etc?

Departure of best educated younger workers

Employers have observed – and the statistics support – that younger workers with the highest skill levels have disproportionately left the County to seek greater opportunity elsewhere. It may be somewhat misleading to equate a college education automatically with higher skill levels but, for what it is worth, in 2000, though 12% of the County's population was aged 19-24 (compared with 8% nationally and statewide), only about 41% of the County's workforce had some college or better in their educational attainments, compared with 51% in New York as a whole and 52% nationally. Most of the difference can be traced to the differential among people with a bachelor's degree or better – about 16% in St. Lawrence County, 27% in the State, and 24% nationally. In view of this:

- What can the SLCWIB do to increase the chances that young skilled workers will remain in the County, especially those that have been educated at the five colleges that operate in the County?
- What can the SLCWIB do to recruit younger, skilled workers from outside the County?
- How can the SLCWIB encourage (especially) younger workers who elect to stay in the County to direct their careers into skill occupations where there is a likelihood of greater demand over the longer term?

Aging workforce

Across most of the sectors of the County's economy, employers have also observed that the average age of their employees, especially those with critical skills and essential experience, is increasing alarmingly and they are very concerned at what might happen over the next 5-10 years (a trend that has already begun) as the boomers retire in increasing numbers. Even though the aging of the population is not something unique to St. Lawrence County, and in some respects appears to be less advanced than is the case elsewhere in the country, when coupled with the population's demographic stability and the departure of younger workforce recruits, the SLCWIB must ask:

- What it should do to help employers start planning how to "backfill" positions with skilled individuals?
- What it should do to help employers to retain older workers in occupations where there is a local skill deficit?
- What it should do to encourage older employees to remain active in the workforce in spite of the blandishments of retirement – possibly in part time or project-based employment?

Underemployment

Some observers report that the County's employment profile is characterized by an increasing number of contingent ("temps"), seasonal, and part time workers. If this is the case, such workers are frequently, though not always, employed in occupations that offer low wages and few benefits. Almost all of them lack job security and benefit programs that are commonly available to full-time permanent workers.

Many lack affordable daycare and transportation. This component of the workforce could be an asset if the SLCWIB could answer the following questions:

- What can it do to transition increasing numbers of people from contingent worker to full-time status?
- Is it attracting/developing the right jobs for the skills current in this portion of the workforce?
- Can it help convince governmental policy makers on all levels to invest more resources in making health care, day care affordable, and transportation affordable?
- Can it do anything to increase the disposable income of workers in this group, or – for that matter – among low-income workers generally?

RESOURCES COMMITMENT FOR WORKFORCE TRAINING & RETRAINING

The basic question is what the SLCWIB could and should realistically be expected to do, in view of the continuing decline in federal, State, and local investments in employment and training and related services, to address the issues and opportunities analyzed above.

Declining federal and State resources for workforce training & retraining

Over the last five years, the resources available to the SLCWIB to invest in employment and training activities have decreased by almost 25%. Similar reductions have characterized the experiences of the SLCWIB's partner organizations. Since, all the while, the challenges to the workforce training system have been increasing:

- How can the SLCWIB do a more effective job of increasing the awareness of public officials' (at all levels) of the long-term importance that investments in workforce development will have for the County's economy?
- What role can the SLCWIB play in introducing efficiencies into the utilization of the reduced resources available by better coordinating both public and private efforts to improve the quality and quantity of the County's workforce?
- How can the SLCWIB encourage employers to increase the resources they commit to training and retraining their workers and better target the use of these resources?

- How can the SLCWIB encourage workers to increase their own investments in training and retraining themselves.
- How can the SLWIB research and perhaps restructure itself to outreach new sources of funding?

Inefficiencies in the workforce training system

People working in the County's workforce development system, as well as many local employers, have noted that not all of the resources available for workforce training and development have been invested optimally. Among other things, they have noted that there are occasional "turf battles" between different workforce service delivery organizations, that program initiatives have not kept up to date with the changing needs of both employers and employees, that substantial sums have been invested in training people for occupations that do not pay a living wage, and that training people skilled to do the jobs of the future has not been a priority. To the extent that such assertions are true:

- How can the SLCWIB get consistently accurate and current data on where the inefficiencies in the workforce services delivery system exist?
- How can the SLCWIB maximize the efficiency of the current labor exchange system?
- How can the SLCWIB enhance its partnerships with other workforce services delivery system organizations and develop new ones?
- How can the SLCWIB target its available employment and training resources to retaining/attracting workers who possess critically needed skills in occupations that pay competitive compensations?

INDICATORS OF THE STATE OF THE WORKFORCE

The St. Lawrence County Workforce Investment Board has categorized basic data about the state of the County's workforce under two headings – Skills Match and Workforce Vital Statistics. The data are intended to suggest questions and issues, not to be a definitive statistical summary of workforce data for the County.

SKILLS MATCH

National Trends

How well labor force skills match the requirements of employers is key data for anyone who hopes to address the quality of the County's workforce. The greater the mismatch between the labor pool's skills and the employers' needs, the more serious the economic consequences will be. The mismatch could impair an employer's ability to stay in business and could force otherwise willing and skilled workers to move elsewhere and/or put additional demands on the County's social support systems.

As noted before, many of the issues confronting St. Lawrence County are typical of other counties in the State and nation, and skills match is no exception. Nationally, employers say that about 40% of their *current* workforce has basic skills deficits. Similarly, they also say that about 25% of their new hires have such deficits.

Most employers have heard reporters say that, for every highly skilled new worker entering the labor market, at least three jobs are available. Or, that three quarters of all workers now on the job will have to be retrained just to keep their jobs. Futurist Ed Barlow challenged the County's decision makers at the June summit by flatly saying that every worker entering the workforce will change careers nine times before retirement and asked what the County planned to do about it.

This skill turbulence is occurring in the context of an aging national population, a phenomenon that is paralleled in St. Lawrence County (even if, as noted earlier, the aging is slightly less pronounced in the County). This aging has intensified the skills mismatch in various critical industrial sectors. Table 1 provides a partial illustration:

TABLE 1

National Workforce Aging Data

Occupations	Age Indicators
Construction Workers	Avg. age: 47
Engineers/Scientists	52% over age 50
Federal Employees	35% to retire by 2006
Government Employees	44% over age 45
Machinists	Avg. age: 50
Mfg. Managers	50% to retire by 2010
Nurses	47% to retire by 2010

Though the national population continues to increase, the working age population has not increased – and almost certainly will not increase – at the same rate. Herman, Olivo and Gioia (*Impending Crisis,* 2003) report that in 1980 there were about 7.6 million more people than jobs in the US; in 2000 there were about 4.7 million more jobs than people; and they predict that current trends will lead to about 10 million more jobs than people by 2010. Table 2 tabulates some of the labor economists' national skill shortage predictions:

TABLE 2

Predicted National Shortages (by 2008)

Occupations	National Shortage
Accountants & Bookkeepers	330,000
College Professors	195,000
Construction Workers	550,000
Manufacturing Engineers	100,000
Nurses	1,000,000
Secretaries	519,000
Teachers	2,000,000

Local Trends

Many employers have observed that they often have to choose between either substantially underqualified or amazingly overqualified candidates when they seek to fill positions in their enterprises. Part of the explanation for this phenomenon is that people with high-end skills – especially older workers – have competencies that are less relevant in today's business environment. Such people, when thrown out of work, have been unable to "retool" themselves, whether it's because they don't realize that their skills are outmoded or because they lack the financial wherewithal to invest in new training.

Many sectors registered the fact that there are local shortages of good employment candidates in certain occupations and skills. The skilled trades are the prime example, but the same is true in nursing, education, and upper management.

One way to illustrate the dimensions of the local skill match issue is to develop ratios between the number of applicants registered with the NYS Dept. of Labor for selected positions with the number of job openings filled. Table 3 does that (for April, 2004):

TABLE 3

Comparison of Applicants Registered and Job Openings with NYSDOL
St. Lawrence County April 2004

OCCUPATIONAL CATEGORY	RATIO OF APPLICANTS TO OPENINGS
Management	10:1
Business and Financial Operations	8:1
Computer and Mathematical	6:1
Architecture and Engineering	13:1
Life, Physical, and Social Science	5:1
Community and Social Services	5:1
Legal	2:1
Education, Training, and Library	6:1
Arts, Design, Entertainment, Sports, and Media	3:1
Healthcare Practitioner and Technical	2:1
Healthcare Support	7:1
Protective Service	No Openings
Food Preparation and Serving Related	11:1
Building and Grounds Cleaning and Maintenance	4:1
Personal Care, Personal Service, and Gaming	6:1
Sales and Related	15:1
Office, Clerical and Secretarial	16:1
Farming, Fishing, and Forestry	No Openings
Construction and Extraction	14:1
Installation, Maintenance, and Repair	19:1
Production	38:1
Transportation and Material Moving	3:1

The data in the previous table are suggestive, but hardly definitive. Because the applicant file is not maintained very well, it is not updated often enough to accurately reflect the number of applicants that are actually available. The number of applicants is therefore usually unrealistically high. Nonetheless, the table does give an idea of the relative ratios between applicants and openings in various job categories.

With this qualification in mind, Table 3 prompts several observations. First, the largest single ratio of any occupational category in which there were more than 50 applicants for jobs was in production (mostly manufacturing) – an astonishing 38:1 (about 225 applicants, 6 positions listed); the second highest ratio (in installation, maintenance, and repair) was about half that (19:1). Second, the largest numbers of applicants were for jobs in sales (446) and clerical (406); between the two, these categories accounted for almost 28% of the applicants. Third, the best match of any occupational category with more than 50 applicants was healthcare practitioner (2:1). However, the ratio in the mostly lower skilled health care category (healthcare support) was 7:1. Fourth, by far the largest number of openings (at least in April, 2004) was for transportation and material moving (52) and janitorial/building maintenance (44); the ratios of openings to applicants in these two were 3:1 and 4:1 respectively.

WORKFORCE VITAL STATISTICS

The best way to summarize the basic characteristics of the County's workforce is to divide the data into two analytic categories: Workforce Demand (employers) and Workforce Supply (individuals).

EMPLOYERS

With the partial exception of the health care sector, most employers who participated in the 2004 summit seemed to agree that they were probably maintaining their workforces; few were anticipating a substantial expansion. They were much more concerned with worker/skills mismatches and the aging of their workforces.

Industry Employment and Earnings

The following table summarizes St. Lawrence County's average annual compensation for 2002 for wages covered by unemployment insurance (which includes some agricultural workers):

TABLE 4

Average Annual Compensation – 2002

Industry	Avg. Annual Compensation
Total, All Industries	$29,667
Total, All Private	$26,920
Agriculture, Forestry, Fishing & Hunting	$25,582
Mining	$37,950
Utilities	$126,468
Construction	$34,262
Manufacturing	$48,431
Wholesale Trade	$30,544
Retail Trade	$18,005
Transportation and Warehousing	$24,057
Information	$35,309
Finance and Insurance	$27,959
Real Estate and Rental and Leasing	$15,566
Professional and Technical Services	$42,452
Management of Companies and Enterprises	$81,468
Administrative and Waste Services	$21,228
Educational Services	$67,814
Health Care and Social Assistance	$24,270
Arts, Entertainment, and Recreation	$12,978
Accommodation and Food Services	$9,443
Other Services	$16,542
All Government	$36,277
Unclassified	$15,181
Total, All Industries	$29,667

The following table summarizes the percentage distribution of St. Lawrence County's employment and earnings levels for 2002, again for wages covered by unemployment insurance:

TABLE 5

Employment and Earnings by Industry – 2002

Industry	Employment	Earnings
Total, All Industries	100.0%	100.0%
Total, All Private	70.6%	64.1%
Agriculture, Forestry, Fishing & Hunting	0.9%	0.8%
Mining	0.5%	0.6%
Utilities	1.0%	4.5%
Construction	4.0%	4.6%
Manufacturing	11.4%	18.6%
Wholesale Trade	1.1%	1.1%
Retail Trade	13.1%	8.0%
Transportation and Warehousing	1.2%	1.0%
Information	1.1%	1.3%
Finance and Insurance	2.1%	2.0%
Real Estate and Rental and Leasing	0.7%	0.4%
Professional and Technical Services	4.2%	6.0%
Management of Companies and Enterprises	1.3%	3.6%
Administrative and Waste Services	1.9%	1.4%
Educational Services	9.7%	22.2%
Health Care and Social Assistance	13.5%	11.1%
Arts, Entertainment, and Recreation	0.4%	0.2%
Accommodation and Food Services	7.4%	2.3%
Other Services	3.1%	1.7%
All Government	29.4%	35.9%
Unclassified	0.1%	0.1%
Total, All Industries	100.0%	100.0%

Clearly the Government sector dominates the County's economy. In 2002 it provided 29.4% of the jobs and 35.9% of the earnings for County workers ($395.7 million). Second was Health Care and Social Assistance; it provided 13.5% of the jobs but only 11.1% of earnings ($122.1 million). Third was Retail Trade with 13.1% of the jobs but only 8% of earnings ($87.8 million). Fourth was Manufacturing, with 11.4% of the jobs and 18.6% of earnings ($204.8 million). Fifth was Educational Services – 9.7% and 22.2% respectively ($244.9 million).

The theme of these statistics is that government, manufacturing, and (especially) education provide (on average) better jobs than the other sizable occupational categories; they account for over 50% of the County's non-agricultural employment (50.5% to be precise) but contribute 76.7% of the County's non-agricultural earnings.

Though the highest annual wage (again in 2002) was in the Utilities category – almost $126,500 per year – only about 1% of the working non-agricultural population was employed in this occupational category. The average annual wages for workers in the top five occupational categories ranged from $67,814 in Education to $18,005 in Retail Trades. The annual average compensation for all non-agricultural workers was $29,667.

Comparable data on agricultural employment is more difficult to summarize briefly. According to statistics compiled in 2001 by the Merwin Rural Services Institute (MRSI), agricultural payrolls in 1984 equaled $4,999,000; by 2000 these payrolls had increased to $8,276,000 (in non-constant dollars). During the same period, total inflation equaled about 85%. Hence, the constant dollar value of the County's agricultural payroll had decreased by about 10% over the 16-year period. By comparison, the total of all non-agricultural payrolls in 2002 was over $1.1 billion.

Changes in Employment Opportunities

From 1990 through 2000, non-agricultural employment in St. Lawrence County grew from 38,800 to 42,400, an increase of about 9.3%. (It declined to about 42,000 in 2003 – still an increase of 8.3% over 1990.) During the same ten- year census period, the population did not increase at all (actually it declined by 43 people). Hence, the County's economy has clearly been creating significantly more jobs than it has been losing.

According to statistics compiled in 2001 by the MRSI agricultural employment in the County fell from 3,165 to 1,925 between 1984 and 2000. As noted earlier the total constant dollar agricultural payroll during the period fell as well, but not by even close to the same percentage. Hence, rather surprisingly, the average compensation of agricultural workers (in constant dollars) increased by about 48% from 1984 thru 2000; however, the compensation levels were still very low (about $4,300 in 2000), which may be explained by the often seasonal, part time nature of the work and the in-kind compensation that reportedly supplements many agricultural workers' wages.

In the rest of the County's economy, the percentage changes over the same 10-year census period used elsewhere in this report are summarized in the following table:

TABLE 6

Changes in Employment by Industry, 1990-2000

Industry	1990	2000	% Change
Natural Resources, Mining and Constructior	1,700	2,100	23.5%
Manufacturing	5,700	5,100	-10.5%
Wholesale Trade	700	400	-42.9%
Retail Trade	4,800	5,300	10.4%
Financial Activities	900	1,100	22.2%
Transportation, Warehousing, and Utilities	900	700	-22.2%
Information	500	400	-20.0%
Professional and Business Services	1,300	1,800	38.5%
Educational Services	2,900	3,800	31.0%
Health Care and Social Assistance	4,000	5,200	30.0%
Leisure and Hospitality	3,400	2,900	-14.7%
Other Services	1,200	1,700	41.7%
Government	10,800	11,900	10.2%
Total	38,800	42,400	9.3%

Four data points in this table are worth noting. First, there appears to have been substantial growth in Natural Resources, Mining and Construction. Since several mines closed in the nineties, it is quite likely that the 23.5% increase in this category can be attributed to an increase in construction employment that substantially exceeds the average for the category. Wide swings in construction employment are notorious; in 2003 construction employment was 1,600.

Second, such swings have not occurred in Manufacturing. In fact, the constant trend appears to have accelerated after the census year, falling to 4,100 in 2003 – a total drop of 28% since 1990. Third, while it is no surprise that the major increases in the County's employment patterns over the ten years have come from Professional, Business, Education, and Health Care Services, it is somewhat unexpected to see that the employment in Leisure and Hospitality services in the County declined by almost 15%. Even in 2003 the number employed in this sector was only 3,000.

Finally, additional perspective is added to the relatively small increase in Retail Trade employment (10.4%) by the fact that employment in that sector had declined to 4,900 by 2003, for a net increase over 13 years of just 2.1%.

INDIVIDUALS

Population Basics

As noted earlier, St. Lawrence County's population remained steady between 1990 and 2000 at about 111,950 – this after a population loss in the previous ten years of about 2.1%. This compares with a 13.2% growth nationally and a 5.5% growth statewide. (In 1980, the County's population was 114,350, the highest it's ever been, up from 112,309 in 1970 and 111,239 in 1960.) In short, the County's population in 2000 was essentially where it was in 1960; in the meantime, the US population had grown by about 57% and even New York State's population grew by 13% during the same period.

Population Changes

As already cited earlier in this report, as elsewhere in the country and State, St. Lawrence County's workforce is aging. Table 7 below summarizes the data related to this phenomenon:

TABLE 7

Change in Age Groups, 1990-2000

	1990			2000		
Age Groups	**US**	**NY**	**SLC**	**US**	**NY**	**SLC**
Totals	100%	100%	100%	100%	100%	100%
Under 5 years	7%	7%	7%	7%	6%	5%
5 to 9 years	7%	7%	7%	7%	7%	7%
10 to 14 years	7%	6%	7%	7%	7%	7%
15 to 17 years	4%	4%	4%	4%	4%	4%
18 years	1%	1%	3%	1%	1%	2%
19 years	2%	2%	3%	1%	1%	3%
20 years	2%	2%	3%	1%	1%	3%
21 years	2%	2%	3%	1%	1%	2%
22 to 24 years	4%	5%	5%	4%	4%	4%
25 to 34 years	17%	18%	15%	14%	14%	12%
35 to 44 years	15%	15%	14%	16%	16%	15%
45 to 54 years	10%	11%	9%	13%	13%	13%
55 to 64 years	8%	9%	9%	9%	9%	9%
65 to 74 years	7%	8%	7%	7%	7%	7%
75 to 84 years	4%	4%	4%	4%	5%	4%
85 years and over	1%	1%	1%	1%	2%	2%

It is noteworthy that in 2000 a larger proportion of the County's population fell into the 19-24 age group (12%) than was true statewide and nationally (8% in both cases). At the same time, the percentage of the County's population in the 19-64 age group equaled 62%, slightly more than the percentages for both the State and nation.

Nonetheless, over time the County's population has been aging; between 1990 and 2000, the population between the ages of 0 and 24 dropped from 42% to 38% and its 25-64 age group grew by 4% (to 50%). During the same ten years, the percentage of the population in the 65 and older category grew by 1%. Doubtless, the aging phenomenon would be exacerbated if the figures in table 7 were adjusted to reflect the demographic contributions of the non-permanent college student populations in Canton, Potsdam, and Wanakena. Quite possibly the same could be said if the demographic impacts of the inmates of the State-managed correctional facilities in Ogdensburg and Gouverneur could also be factored out.

Table 7 includes two data conclusions that should be highlighted. First, the portion of the County's population aged 18-21 is 10%, while the equivalent statistics for both the State and nation are 4% each. Second, as soon as age 22-24 is reached, the County's percentage is the same as the State and nation (4%) but for the next age cohorts (25-34 and 35-44) the County's population is three percentage points less than the same cohorts across the State and nation. It's not as if these demographic patterns were new in 2000; they were virtually the same in 1990.

Racial Characteristics of the Population

Table 8 summarizes the racial demographics in St. Lawrence County between the 1980 and 2000 censuses:

TABLE 8
Minority Population Changes

	1980	1990	2000
Total Population	114,347	111,974	111,931
Total Minority Population	1,630	4,531	6,481
Minority % of Population	1.4%	4.0%	6.0%

The demographic lesson to draw from this table is that, while the County's population has been decreasing, the minority profile in it has been increasing. In fact, had the minority populations' dynamics paralleled that of the rest of the population over the 20 years since 1980, the County's population would have declined by 6.4% instead of only 2.1%. In other words, the net in-migration and natural increase of the minority populations is responsible for the fact that the County's population has fallen more dramatically. In view of the fact that in 2000 New York State's minority population equaled 33.1% -- and that the national percentage was about 25% -- the County's minority population is significantly smaller than is the case elsewhere.

Income and Poverty

Table 9 illustrates that during the nineties, the County's poverty rates remained pretty much constant, for both individuals and families.

TABLE 9
Poverty Rates

Poverty	1990 #	2000 #	1990 %	2000 %
Persons	16,976	17,414	16.9	17.2
Families	3,435	3,332	12.8	12.3

It is reasonable to assume that, because of the significant number of college students and correctional inmates, many of whom are counted as poor, a more accurate gauge of the permanent population's income status would be yielded by examining family income statistics. Table 10 does that:

TABLE 10
Family Household Income

Family Household Income	1990	2000	1990 %	2000 %
Less than $10,000	3,300	2,077	12.3	7.7
$10,000-$14,999	2,862	1,794	10.7	6.6
$15,000-$24,999	5,264	3,901	19.6	14.4
$25,000-$34,999	5,088	4,282	18.9	15.8
$35,000-$49,999	5,384	5,297	20.1	19.5
$50,000-$74,999	3,717	5,920	13.8	21.8
$75,000-$99,999	776	2,305	2.9	8.5
$100,000-$149,999	329	1,152	1.2	4.2
$150,000 or more	124	392	.5	1.4
Total Family Households	26,844	27,120	100	100
Median Family Income	$29,004	$38,510		
Per Capita Income	$10,346	$15,728		

The table should be read keeping in mind that the income figures are *not* in constant dollars. The cumulative increase in the consumer price index during the nineties was about 29%. The most surprising feature displayed in the graph seems to be the uniform percentage declines in those families making $10,000 to $49,999 in 2000, compared with 1990. If the various household groups 1990 incomes were simply to be increased by the rate of inflation, it would be reasonable to expect that the lowest two groups would push into the next two or three. The fact that the first increase doesn't occur until the $50,000 level is reached may be significant.

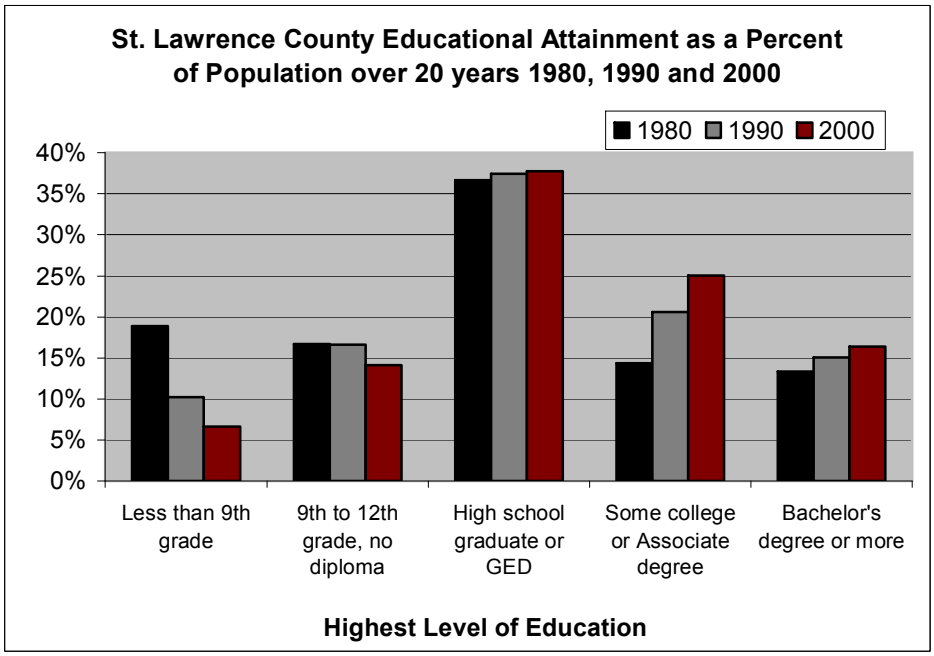
There are good statistical reasons for this rather unexpected phenomenon. But, another explanation for this statistic becomes plain when it is noted that, if both the family and per capita 1990 incomes were increased simply to keep pace with inflation, they would equal $37,415 and $13,346 respectively in 2000. In other words, though the County's poverty rates are holding steady, there appears to have been a modest increase in constant dollar terms for both family and per capita income.

On a moment's reflection, this is not surprising considering that there was a general increase in employment in the County in the nineties, even though the population remained stable. However, there is little evidence that the nineties saw a sudden increase in higher paying jobs in the County, another possible explanation for the disproportionate bulge to the top of the chart.

Educational Attainment

Like much of the country, the last quarter of a century has seen a substantial improvement in educational attainment in St. Lawrence County – as can be see in graph 2:

GRAPH 2
Educational Attainment



Individuals with less than a high school diploma decreased from 25.6% to 20.8% of the population. Those with some college or more rose from 27.7% in 1980 to 41.5% in 2000. However, the equivalent figures for the state as a whole in 2000 were 20.9% and 51.3%. For the country as a whole – again in 2000 – they were 19.6% and 51.8%. In short, though the County's percentage of people with less than a high school diploma is close to the national and State averages, it is about 10 percentage points behind those averages for people who have some college.

Labor Force Logistics

St. Lawrence County is New York State's largest county and the fourth largest east of the Mississippi River. As noted earlier, it is not served by an interstate highway or by rail passenger facilities. Not surprisingly, it is also not served by a significant public transportation network. The combination of significant distances, the lack of a central core community, and the lack of transportation options – not to mention winter weather – is often thought to contribute to labor market rigidities. Table 11 summarizes the key data about how geography and workers interacted in the County in 2000:

TABLE 11
Worker Commute Time, 2000

	United States	New York	St. Lawrence County
Total:	100.0	100.0	100
Less than 30 minutes:	65.5	53.9	77.0
30 to 44 minutes:	19.1	20.1	12.9
45 to 59 minutes:	7.4	10.1	4.9
60 or more minutes:	8.0	15.9	5.1
Total public transportation	4.9	25.2	0.4
Total other means	95.1	74.8	99.6

The first obvious fact yielded by this table is the almost insignificant role played by anything but personal transportation to and from work. The second is that commutation times, in St. Lawrence County, in spite of the distances, lack of high speed highways, and the decentralization of employers' locations, are significantly better than in the country as a whole. However, the US Census reported in 2000 that 9.1% of the County's households did not have access to an automobile.

Of course, the time and methods of commutation might be affected by workers commuting into and out of the county to access their jobs. The NYSDOL reports that in 2000, the 2,591 workers commuted into the County to work, while 3,467 commuted out of the County. More workers commuted out to work to Jefferson County than came in from that county. On the other hand, more workers commuted in from Franklin County than the other way around.

Some observers have suggested that the role played by temporary and part time workers has increased in St. Lawrence County workforce in recent years. Table 12 compares 1990 and 2000 federal census data (collected for 1989 and 1999) that bear partly on this issue:

TABLE 12
Employed People – Full Time/Part Time Percentages

Hours per week	1989 Male	1999 Male	1989 Female	1999 Female
35+	83.7%	82.2%	61.8%	64.3%
15-34	12.2%	12.8%	30.8%	28.4%
1-14	4.1%	5.0%	7.4%	7.3%

These data seem to suggest that, in 1999, a slightly smaller percentage of men (1.5%) were working in full time jobs than had been noted ten years before, but that the opposite was true for women. Overall, however, there did not seem to be a major shift in this particular demographic during the nineties. On balance, since there are more men in the employed workforce than women, there was a slight decline in people

working full time jobs between 1989 and 1999.

The same census data series shows that 51.5% of the employed male workforce in 1989 worked in jobs in which they *actually* worked for 50-52 weeks during the year. (Table 12 reports on jobs that would *normally* require 50-52 weeks a year but any number of factors could result in fewer weeks being worked.) In 1999 the same figure had increased 56.4%. For females actually employed during 1989 and 1999, the percentages were 36.7% and 42.1% respectively. Contrary to suggestions noted earlier in this report, at least for people employed during the two years polled by the censuses, the percentage of the County's workforce that worked in jobs that were actually year round and full time increased modestly.

Workforce Vital Statistics Summary

The last section of this report contains statistics designed to highlight some of the key issues related to the County's workforce situation. As such, it is not intended to provide an exhaustive statistical profile of the workforce. The data selected do, however, suggest several themes for future investigation. These include, but are not limited to: how to address the connection between population growth or decline and economic development; what (if anything) can be done about the growth in total employment coupled with the relative stagnation in household income; how to make it possible for mature and retired workers to develop new skills (and what *types* of skills?); how to measure and assess the impacts of temporary employment; and how the County's development effort should respond to the fact that the growth areas of the County's employment have been in government, health care, and education, and not in more traditional occupational areas.

ST. LAWRENCE COUNTY WORKFORCE INVESTMENT SYSTEM

The St. Lawrence County Workforce Investment System endeavors to improve and enhance the economic health of St. Lawrence County by developing an integrated network of employment, educational and training services for the employer community and the individual job seeker.

The St. Lawrence County Workforce Investment Board, a consortium of representatives from private industry, organized labor, public service entities and educational institutions, oversees the County Workforce Investment System. The Board's mission is to ensure the economic vitality of St. Lawrence County by building and maintaining a quality workforce development system that strengthens and provides economic, educational, and developmental opportunities for all citizens and employers.

Eight agencies have partnered to operate the St. Lawrence County One-Stop Career Center in Canton and its access locations in Gouverneur, Massena and Ogdensburg under the direction of the Workforce Investment

Board. The One-Stop Career Center provides workforce development activities, labor market information, business services and career development opportunities for its customers – the job seeker and employer community. Customers benefit from an integrated network of partnership services that can understand and respond to their needs.

These eight agencies include:

- St. Lawrence County Office of Economic Development
- New York State Department of Labor
- St. Lawrence-Lewis BOCES
- Vocational Educational Services for Individuals with Disabilities
- St. Lawrence County Department of Social Services
- St. Lawrence County Office for the Aging
- St. Lawrence County Veterans' Service Department, and
- St. Lawrence County Youth Bureau

In order for the St. Lawrence County Workforce Investment System to fulfill its vision it must overcome the challenges, obstacles and unfavorable trends discussed in this report. Through a continued integration of its workforce development activities with the economic development strategies of the County, the Workforce Investment System strives to overcome these obstacles to meet the employment and training needs of the present and future employers and workers of St. Lawrence County.

More information on the Workforce Investment Board and its services can be found on our website at **www.slconestop.com**

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CITEC, Inc., a not-for-profit economic development consultancy based in Potsdam, New York, conducted the breakout sessions at the June 10 summit and has facilitated the SLCWIB's development of its strategic plan. CITEC has also helped the SLCWIB prepare this report and will help the SLCWIB to integrate the report with the work of the CEDS committee.

Funding for the Workforce Summit, as well as for CITEC's services, and for the design, preparation and printing of this report has been provided by the New York State Workforce Investment Board and the New York State Department of Labor's Workforce Development and Training Division.

Finally, the members of the SLCWIB itself and the SLCWIB staff spent countless hours in working with the issues summarized in this report in preparing for and participating in the June summit and in developing the SLCWIB's strategic plan.

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