Two Sides of the Same Coin

Economic and Workforce Development Collaboration

Presentation to the U.S. Conference of Mayors, Workforce Development Council, September 12, 2011

Chuck Flacks, Research Director, SDWP
Julie Meier Wright, Former President & CEO, San Diego Regional Economic Development Corporation

PHOTOGRAPHY BY MICHAEL SCHUERMAN

www.workforce.org
Three billion people have joined the global trading system in the last decade
  – National Academies

In 40 years, the economies of Brazil, Russia, India and China (BRICs) could be larger than G6 (US, Japan, UK, Germany, France and Italy)
  – Goldman Sachs
More than 63,000 multinationals worldwide, IT and internet-facilitated

From vertically integrated to network of partners for efficiency, lower costs globally

Rapid increase of workforce skill levels in emerging markets

- Manufacturing to technical support to back office to software design to – today – innovation
- 1997: China had 50 research centers; by 2004: 600
The Flat World

- Silicon Valley-based Applied Materials
- Opened a plant in Xian, China
- Received 26,000 Chinese applications
- Hired 330 people
- 31% had Master’s or Ph.D. degrees

Source: Tom Friedman, NY Times via Matt Spathas
• 2000 – more than 25 countries had higher percentage of 24-year-olds with degrees in science and engineering than U.S.
• Number of new doctorates declining in real terms since 1996; many foreign students returning home
• By 2010, China produced more S&E doctorates than the U.S.
Talent Crisis – Dropping Out

- 30% of high school students drop out – one every 26 seconds
- Number rises to 50% for Latinos and African Americans
- 68% of 8th graders perform at below proficiency levels for their grade (Math and Reading)
- 50% of high school graduates not prepared for college
- Despite so-called reforms, numbers have not changed for over two decades
- #1 reason from kids for dropping out? Boredom
- Why: antiquated delivery systems, dated content, irrelevant
- Less than 20% will graduate with an AA degree in three years or a bachelor’s degree in six years

Source: Time Magazine Special Report: Dropout Nation
Three Options For Talent

- Import the talent
- Export the job
- Grow the talent here
Growing Local Talent

Workforce/Economic Development

“Beginning of a beautiful friendship”

- Cross-Pollination
- Political Leverage
- Project Cooperation
- Resource Sharing

PHOTOGRAPHY BY MICHAEL SCHUERMAN
Cross-Pollination

- EDC long-time member of WIB
- WIB staff on EDC Boards
- Workforce Collaborative/EDC Foundation
- Formal MOU Cements Collaboration Commitment
Political Leverage

Strong relationship lead to:

- Improved relationship with San Diego Mayor
- Broader message to state and federal elected officials
- Workforce and economic development are placed on larger regional agenda
Project Cooperation

- Recruitments
- Cali Baja Mega Region
- WalMart America Works
- BioFuels Cluster
- Summer Youth
Resource Sharing

- Rapid Response – Formal contract with EDC resulted in higher allocations
- Data Sharing – Workforce Partnership becomes “go to” source for industry and labor market information
Process Components

• Sound research
• Inclusive convening process
  – Public and private participants
  – Industry cluster leaders
  – Subject matter experts
• Leadership group to integrate input, create action agendas
• Framework for sustaining action
• Metrics to measure success
But, As Julie Always Says:

No Champions,

No Initiatives!