Labor Market Analysis
Preface

Over the past four years, the Greater New Bedford workforce development system has dedicated a tremendous amount of effort toward a strategic planning initiative to re-design the structure and function of our region's service delivery system. This on-going endeavor of re-structuring and developing a more streamlined service that is better able to serve our business and job seeker customers, continues to be focused on integrated service delivery, performance measurement, and fiscal accountability.

A comprehensive system self-evaluation (Career Center Charter Review) conducted during FY 2004 led to a turnover in system leadership in fiscal year 2005. This new leadership team has embraced the commitment to regional, system-wide improvement and performance excellence. Over the past year, key entities of the Greater New Bedford Workforce Development System have implemented job title and salary restructuring, Continuous Quality Improvement team implementation and utilization for various staff planning/training activities, development and execution of a co-staffed resource room, and the design and completion of automated customer satisfaction surveys. Each of these initiatives was based in the continued adherence with the Baldrige Criteria for Performance Excellence as a key management philosophy and practice.

Additional examples of progress toward our goals are detailed in the Plan, as well as the identification of opportunities for further program development, and areas for continuous quality improvement. Linking all of our region's planned activities and initiatives carries an over-arching theme of fostering streamlined service delivery while increasing accountability. Our regional resource development strategy is designed to secure alternative funding for system priorities including: responding to local labor market demands; adult education and training; youth programming; sectoral initiatives; and work readiness certification. In order for this strategy to be successful, it will necessitate a continuation and enhancement of understanding and collaboration amongst system leadership and community stakeholders, continuous advancement of adult and youth programming efforts, and expanded business services based on labor market demand and system marketing projects.

The Greater New Bedford workforce development system is unified and committed to the region's future, improving upon the concept of the One-Stop Career Centers and working cooperatively with planning and implementing the approaches required to provide the best service possible to our business and job-seeking customers.

II. The Greater New Bedford WIB Local Labor Market Analysis

Annual (13-Month) Average Unemployment Rates (%)			
	2002 – 2003	**2003 – 2004**	**2004 – 2005***
Greater New Bedford	7.1	7.3	6.5
State	5.0	5.6	5.0

**March 2004 – March 2005 (Source: DCS)*

A review of three recent annual cycles of unemployment statistics finds a continuing theme of Greater New Bedford unemployment rates being amongst the highest in the state, ranking second among all 16 Workforce Regions. The area's unemployment rate has been steadily declining since the 1990's and is slowly closing the gap with the statewide unemployment rate. Between the second quarters of 2003 and 2004, the unemployment rate in the Greater New Bedford Workforce Area decreased from 7.5% to 6.8%. While positive, this recent trend should not negate the fact that the region's declining rate *still* ranks among the highest in the Commonwealth, annually declaring itself 30% to 40% above the statewide average. Over half of the unemployed in our area are located in the city of New Bedford (A total of 6,742 New Bedford area residents were unemployed during the second quarter of 2004) where the unemployment rate is 10.1% and where the housing, transportation, non-English speaking and low education and skill level issues are most significant. This presents even greater challenges to us because this group is the largest of our career center customer base.

Following recent annual trends, many new Unemployment Insurance (UI) claimants were displaced workers over 45 years of age. In fact, a third (38.2%) of all new UI claimants were between 45 and 64 years of age, with many of the companies employing claimants for fifteen or more years. A total of 5,309 individuals collected unemployment insurance during February 2005. This represents a slight increase of 47 claimants from February 2004. During the same period, the number of individuals collecting unemployment insurance statewide fell by nearly 7,000 in February 2005. As is the case with our general population, many (34.2%) do not have a high school diploma. Additionally, Greater New Bedford's increase in Hispanic and Latino population of 10.2% (US Census, 2000), represent a large percentage (11.2%) of the recently unemployed (DUA, March 2005).

The SouthCoast Signals Project (Univ. of Mass./Dartmouth [UMD]- Center for Policy Analysis, 2005) has just released its first set of indicators for 2005. These indicators measure trends in emerging industries such as the creative industry, tourism, and marine science and technology as well as the region's need for economic diversification, competitive wages, and housing affordability. Though the latest Signals project suggests that a new economy may finally be taking hold in the SouthCoast region, it is not without its own challenges. A major concern in making the transition to a new economy is that much of the region's employment shock between 1985 and 1991 occurred not just because the region was dependent on the manufacturing sector, but also because employment in this sector was heavily concentrated in a few large firms. Consequently, the SouthCoast is not only attempting to diversify the region's economic base in terms of industries and sectors; but also to diversify the number and size of firms in the area.

Employment diversification measures the percentage of the region's total employment that is concentrated among the area's largest employers. The three largest employment sectors in the SouthCoast are Education/Health Services (22.1%), Manufacturing (18.9%), and Retail Trade (15.6%). These industries account for a higher percentage of total employment in the region in comparison to the state. (UMD Center for Policy Analysis, 2004) In Greater New Bedford, 121 establishments (2.1%) reported having at least 100 employees. These companies are responsible for slightly more than 41% (31,348) of all jobs in Greater New Bedford. In contrast, small employers dominate the New Bedford Workforce area. Among the 5,811 establishments reporting employment in March 2004, 87.7% had fewer than 20 employees. These companies, however, account for just under 28% (21,617) of the total number of jobs (76,166) in Greater New Bedford.

Greater New Bedford WIB

Distribution of Establishments and Employment

by Size Groups March 2004

Number of Employees	Size Groups	Units	%	Employment	%
0	0	875	14.8 %	0	0.0 %
1 - 4	1	2,546	42.9 %	5,302	7.0 %
5 - 9	2	1,112	18.7 %	7,389	9.7 %
10 - 19	3	671	11.3 %	8,926	11.7 %
20 - 49	4	472	8.0 %	14,116	18.5 %
50 - 99	5	135	2.3 %	9,085	11.9 %
100 - 249	6	85	1.4 %	12,573	16.5 %
250 - 499	7	27	0.5 %	9,727	12.8 %
500 - 1000+	8,9	9	0.2 %	9,048	11.9 %
	Totals	5,932	100.0 %	76,166	100.0 %

While the Massachusetts economy lost 2,903 jobs, representing a decrease of 0.1%, Greater New Bedford witnessed small gains of 687 jobs added (or 0.9%) between the third quarters of 2003 and 2004. The most prominent source of industry growth in Greater New Bedford was Construction, which grew by 508 jobs, an increase of 12.5%. Employment gains were also registered in Manufacturing (368 jobs added) and Administrative Services (240 jobs added). The seasonal factor of Construction and Fishing & Agriculture help to explain the March 2005 unemployment insurance claimant numbers by occupational category that reported Construction as accounting for 1 in 3 of Greater New Bedford claimants followed by Production (14.6%). In addition, Fishing and Farming (7.6%) and Office Support (6.1%) were also major sources. Collectively, these four occupational categories comprised 6 in 10 of the Greater New Bedford claimant population. From an industry perspective, the four largest categories of unemployment insurance claimants were Construction (36.2%), Administrative Support (13.3%), Manufacturing (8.8%) and Fishing & Agriculture (8.7%).

Greater New Bedford continues to identify the following five target industries during FY 2006: Construction, Manufacturing, Wholesale & Retail, Business & Professional Services, and Health & Social Assistance Services. The most recent Regional Labor Market Information Profile for the Greater New Bedford area- summer 2004- reported job increases between the fourth quarters for 2002 and 2003 to have increased by 737 with Greater New Bedford being one of the few workforce regions to experience positive employment growth. The report found the two most prominent sources of industry growth for the period to be Professional and Business Services (target industry), which were up by 461 jobs or 9.6% and

Natural Resources, which include fishing-up by 233 jobs or 17.0%. Some modest job gains were found in the area of Leisure and Hospitality (+131), Financial Activities (+85) and Construction (+29- target industry). Target industries to be emphasized are Manufacturing due to the large percentage of jobs in our area, the recent growth and the turnover; Retail, again based of the large percentage of jobs in our area and because of the increase in big box companies and spin offs that have and are planning to move into the area-Kohls, Christmas Tree Shop, Price-Rite, Home Depot and the new Shopping Center in Wareham. Leisure & Hospitality and Healthcare are opportunities that require further exploration but currently are not considered to produce large numbers of opportunities. The workforce area does not have the skilled healthcare base, and the number of jobs in the area of Leisure & Hospitality continues to be small. However, despite the smaller numbers with Leisure and Hospitality, this industry may warrant cultivation especially for the youth population. As the labor statistics indicate, the Construction industry is both seasonable and tends to be unionized to specific trades. In addition, Construction employers often fill their job openings without much assistance. As such, this industry must be explored as to its viability as a future target industry.

On the regional front, the Greater New Bedford workforce development system is participating in Governor Romney's Southeast Regional Competitiveness Council (Four Workforce Investment Areas – Bristol, Brockton, Greater New Bedford, and South Coastal). The Southeast Region was charged with identifying and agreeing to the regional priorities for economic development, as well as identifying barriers to economic growth in the region. In their December 14, 2004, briefs to the Governor and Council the Regional Competitiveness Council proposed two "shared goals and priorities"; the first being the development of an employer based Adult Basic Education/English for Speakers of other Languages pilot program and the second, a Manufacturing and Technology Initiative. This Initiative centers on making the Southeast Region the preferred location for Manufacturing in New England supporting Greater New Bedford Workforce Investment Board's targeted industry choice.

The Division of Career Services (DCS) ES202 for 2003 provides the actual number of jobs and business units for the private sector of the Greater New Bedford Labor Market Area by North American Industry Classification System (NAICS) code. The total number of jobs held in the private sector of our labor market area during 2003 was 66,977. There were 44,048 jobs in Greater New Bedford Workforce Development System's target industries, which is 66% of all jobs. The three target industries providing the most jobs in 2003 were Health & Social Assistance industry with 12,393 jobs, followed by Manufacturing with 11,670 jobs, and the Wholesale & Retail industry with 10,985 jobs. The 3rd quarter Regional Labor Market Profiles for 2004 presented by Comm Corp depicts a similar picture of 76, 637 total jobs; 44,522 (58%) represented by Greater New Bedford targeted industries of Wholesale & Retail Trade (13,733 jobs), Health & Social Services (12,521 jobs), Manufacturing (11,807), Construction (4,583 jobs), and Professional & Business Services (1,878 jobs)

In an effort to cultivate strategically identified target industries, the system's leadership, the Workforce Investment Board's Resource Development & Planning Director, and Business Services team will continue to engage industry trade associations, industry leaders, and local companies to identify opportunities for linkage including targeted sectoral initiatives and

Workforce Training Fund support. To support the increase of employment opportunities in these target industries the Greater New Bedford Workforce Investment Board, New Directions leadership and our One-Stop Career Center Business Services team will explore, develop and implement programming addressing the cited challenges these employers face in dealing with the local workforce.

When asked which skills would be most in demand in the future, most companies indicated computer capabilities, personal relations and/or customer service skills. A large preponderance of employers voiced strong concern over the inability of many young employees with adult basic education (Math/English) and English as a Second Language. This statewide dilemma is exacerbated in the Greater New Bedford area where there is a comparatively high percentage of foreign-born population. Nearly 20% of the region's population is foreign-born, compared to 12.2% of the State's. More than one third (31,256) of New Bedford residents claim Portuguese as their first ancestry. In addition, the area boasts an expanding Hispanic population. Due to this large number of foreign-born population, the Greater New Bedford region has a higher percentage (37.8%) of individuals who speak a language other than English at home. Added to this need for Adult Basic Education and English for Speakers of other Language services, are the 11.3% of the Greater New Bedford residents whose inability to even speak English leaves them linguistically isolated.

Area commuting patterns indicate a highly mobile skilled workforce with approximately 3% of Greater New Bedford residents commuting to other states for employment purposes; for those who did, Rhode Island (2.8%) was the most likely destination. In addition, South Coastal (5.0%), Brockton (4.3%), Metro South/West (3.2%), Cape and Islands (3.0%) and Boston (2.9%) were also popular commuting destinations. Though there is an influx of workers to Greater New Bedford from outlying areas (27% of GNB workforce), the net result of commuting continues to leave our region losing 10% to commuting. The significant lack of public transportation in our area and the low (2%) use of public transportation indicated by the commuting pattern is the result of the mobility problems for unskilled workers without their own vehicles. A review of Title I job seeker case files at the Greater New Bedford Career Center added evidence to this claim with approximately 15% of this customer base identifying transportation as a barrier to accessing training or employment. Our regional lack of commuter rail exacerbates this problem. Special needs populations (e.g., low education, minorities, new immigrants, poor English speakers, female-headed households with children) clustered in a population center such as New Bedford and Wareham are particular victims of the lack of transportation options.

While there is mounting evidence that a new economy is starting to take hold, the region still faces a number of significant challenges, including a long-standing wage gap with the state that is being magnified by a potential housing affordability crisis. The declining affordability of housing was cited in the 2003 Quality of Life in Massachusetts Survey conducted by Mass, Inc. who found 54% of the population felt affordable housing to be a state-wide problem needing major improvement. The SouthCoast wage gap got worse during the 1990s, but coming out of the 2001 recession, the ration of SouthCoast wages to the statewide average improved from 65.2% in 2000 to 70.5% in 2003.

Average Annual Wages 1990 to 2003

Year	SouthCoast	Mass.	% State Avg.
1990	$ 20,179	$ 26,667	75.7%
1991	$ 21,235	$ 28,030	75.8%
1992	$ 22,222	$ 29,651	74.9%
1993	$ 22,464	$ 30,229	74.3%
1994	$ 22,961	$ 31,023	74.0%
1995	$ 23,464	$ 32,332	72.6%
1996	$ 24,605	$ 33,926	72.5%
1997	$ 25,866	$ 35,716	72.4%
1998	$ 26,875	$ 37,774	71.1%
1999	$ 27,984	$ 40,352	69.4%
2000	$ 28,890	$ 44,326	65.2%
2001	$ 30,418	$ 44,976	67.6%
2002	$ 31,645	$ 44,982	70.3%
2003	$ 32,676	$ 46,332	70.5%

Source: Massachusetts Dept. of Revenue ES202 File

Area economic growth efforts remain hampered by low educational attainment levels, a poor external image, and isolation from much of the opportunities in the state by our poor interregional transportation. Thus, while the region was making notable progress in closing the unemployment gap with the rest of the state, the housing affordability gap in the SouthCoast increased from $1,154 in 1995 to $6,763 in 2003, even with historically low mortgage rates. (the housing affordability indicator measures the difference between the median household income of residents and median income necessary to purchase a median priced home.) Most of the gap is explained by a 59.4% increase in the median price of homes since 2000.

Since multiple data sources indicate a rough statistical match between area jobs and workers, the Regional Competitiveness Council indicated that skills' mismatch, low educational attainment, and mobility problems or some other barriers contribute to our worsening underemployment and unemployment numbers. A recent Signals report of 1/16/05 (UMD- Center for Policy Analysis) also called attention to a significant portion of the wage gap being directly due to the region's educational attainment levels. By 1993, the "wage premium" attached to a college degree had more than doubled with the average college graduate now earning 70% more than a high school graduate. Similarly, the average high school graduate earns 70% more than a person with a 9th grade education.

An analysis of wage and income data by senior economists at the Federal Reserve Bank of New York recently found "that skill-biased technological change is probably the main contributor" to the declining demand for unskilled labor in the United Sates and the rising demand for skilled and educated workers. The major factor driving the expansion of this wage premium has been the rapid integration of computing technology into virtually every workplace that has created skill-biased labor processes across the economy.

The simple fact is that the region's economic future depends on its ability to participate in the state's high wage economy, where the skills acquired through formal education are increasingly in demand. The long-term strategy for improving Greater New Bedford Workforce Investment Area's educational attainment level is remarkably simple in theory. To improve the region's educational level a larger percentage of people need to graduate from a college or university. Despite the number of Greater New Bedford residents possessing a bachelor's degree or higher increasing by 6,071 (28.9%) between 1990 and 2000, the percentage of adults 25+ population with at least a bachelor's degree in 2000 was 17.9% with some statistics showing this percentage to be decreasing with the migration of educated workers out of the area. Unfortunately, U.S. Census data indicates that many of the area's high school, college, and university graduates are not staying in the region to help build the local economy, culture, and civic institutions. Between 1990 and 2000, there was a 20% net decrease in the number of persons ages 20 to 34 residing in the SouthCoast. Many business leaders correctly describe this out-migration as a "brain drain," because this is the age cohort that most likely benefited from the area's expanding postsecondary educational opportunities.

To graduate from high school, more students need to pass the MCAS tests. Nearly a third (32.4%) of adult SouthCoast residents do not have a high school diploma with New Bedford's number rising to 42.4%. With a 2000 census workforce population of 205,354, this leaves 87,070 persons without a high school credential. The problem of low educational attainment is often blamed on "immigration" (foreign born population in GNB represents 12.9% of the region's total population and is rising), but in fact historically high drop out rates, and correspondingly low high school graduation rates, have been equally, if not more to blame, for the problem. Although the number of high school dropouts in Greater New Bedford fell by 9,249 (or 18.3%) between 1990 and 2000, the 41,179 dropouts represented 29% of the region's adult 25+ population, which is nearly double the statewide average.

Moreover, given the constantly changing skill demands of the new economy, and the low educational attainment of many of the area's adult workers, there must be opportunities for lifelong learning and these opportunities must include a hierarchy of offerings from adult basic education, to the general equivalency diploma, to job retraining and skills certification, to continuing education at the college and university level. Programs at the primary and secondary level, such as Adult Basic Education, English for Speakers of Other Languages, General Equivalency

Diploma, family literacy, citizenship training, and workplace literacy projects are stepping-stones to a better job and higher wages for many individuals. Post-secondary programs delivered in the evening, weekends, or online provide opportunities for working adults to obtain specialized certifications and 2-year, 4-year, or graduate degrees while employed either full or part-time. Personal and career development courses play an essential role in improving the skills of individuals with depreciating education credentials. It is good news that the University of Massachusetts Dartmouth's Center for Policy Analysis reports that SouthCoast enrollments in life-long-learning programs increased from 16,926 in 1999 to 20,060 in 2004.

The Greater New Bedford Workforce Investment Area is making progress in virtually every aspect of its educational agenda, but so is the rest of the state. Consequently, even as the region's educational attainment improves, its current rate of progress is only sufficient to avoid falling further behind in the race for the new economy. In fact, 2003 fourth quarter data on the occupational vacancies of Massachusetts' industries, which preceded the recent national and local upswing (manufacturing showed a 5% vacancy rate during the measured period), underscored a critical need for workers with a minimum level of basic competencies. This need, identified by employers in the state report (*Massachusetts Job Vacancy Survey 4th Quarter 2003*, DUA) and corroborated through a local employer survey (Greater New Bedford Career Center, January 2004), has created an industry climate where manufacturing employers experience the greatest difficulty in filling job vacancies with qualified applicants (37% "constantly recruiting"). Of the nineteen specific growth occupations illustrated in the (DET) Labor Market Information chart below, all except laborers and truck drivers require specialized training.

20 Fastest Growing Occupations in the New Bedford Workforce Area*	Growth Rate through 2008
Home Health Aides	75%
Medical Assistants	62%
Social/Human Service Assistants	56%
Social Workers	40%
Personal/Home Care Aides	37%
Police Patrol Officers	30%
Child Care Workers	27%
Nursing Aides/Orderlies/Attends	27%
Residential Counselors	27%
Physicians and Surgeons	26%
Teacher Aides	25%
Registered Nurses	23%
Licensed Practical/Voc Nurses	21%
Laborers, Landscaping/Groundskeeping	18%
Office/Admin Support Supvrs/Mgrs	18%
Truck Drivers, Light	17%
Teachers, Secondary School	15%
Reception & Information Clerks	15%
General Office Clerks	11%

Massachusetts Division of Employment and Training
Economic Analysis Department

Even as retail and service sector jobs replace production jobs they do not offer the same wage scales. Retail jobs tend to be part-time, lower paying jobs, and most are replacement jobs, with few new jobs being created. In health care, the situation is somewhat different. Health care jobs have wider ranging pay scales, bound on the low end by home health aides (average wage $9.60) and certified nursing assistants (average wage $9.75) which are among the fastest growing jobs but offer the lowest pay ranges; at the top of the scale are highly technical jobs, such as registered nurses (average wage $22.00) and physicians (average wage $52) (Source: Mass Job Vacancy Survey- 2003/Hiring Trends by Industry & Occupation).

Encouraging the growth of high-end jobs, like nursing, medical device manufacturing, and marine technology, continues to be a challenge. Companies relocating to the region continue to be concerned about the low educational attainment levels of the workforce. However, the region's LPN, BSN, and RN education programs indicate waiting lists of qualified applicants looking to prepare for nursing careers. Unfortunately, cuts in budgets throughout the Massachusetts Community College and University of Massachusetts systems have produced a shortage of faculty to serve the demand. Medical device manufacturers continue to grow locally, but some have experienced a slower pace of development due to the competency limitations of their workforce. Anchored by the University of Massachusetts at Dartmouth School for Marine & Science Technology (SMAST), and a planned innovation center (business incubator) with a marine technology focus, local & industry leaders are working to quantify the impact of the industry on the regional economy while advocating for global recognition of an area from Wood's Hole to the southeastern coast of Connecticut as the "Marine Technology Corridor."

Supported by the data revealed in the Greater New Bedford Economic Base Analysis report presented by the UMD Center for Policy Analysis (2001), current Comm Corp regional labor market information (2004), projected business development direction related in meetings with the New Bedford Area Chamber of Commerce, the New Bedford Economic Development Council and the Greater New Bedford Industrial Foundation - the Greater New Bedford Workforce Investment Board feels strongly founded in our continued efforts with the 5 targeted workforce areas of Manufacturing, Construction, Wholesale & Retail Trade, Business & Professional Services, and Health & Social Assistance Services.

With this in mind, data presented indicating the most recent trends in emerging industries by the SouthCoast Signals Project as recent as April 2005 (UMD Center for Policy Analysis), added to the regional key targeted clusters identified by the Southeastern Regional Competitiveness Council in December of '04, combined with the proposed areas of specific industry development targeted by the local Chamber of Commerce and Economic Development Council must be explored. The Greater New Bedford Workforce Development System in its commitment to a comprehensive and clear understanding of the region's labor market characteristics, trends, barriers and opportunities will begin the work of carefully analyzing the following industry targets in its development of focused targeted industries in FY

2006: Hospitality & Tourism, Marine Science & Technology, Medical Devices & Pharmaceutical, and Warehousing & Distribution.