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# Building a Future Ready Region

NADO: Afternoon with the CEDS

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**ENTREWORKS**  
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# Today's Talk

- **What Do We Mean by Future Ready?**
- **It's a New World for Economic Developers**
- **How Can We Respond: Future Ready Regions**
- **Final Thoughts and Reactions**

# What Does it Mean to Be Future Ready?

- **For Individuals:**

“Being future ready means students have the content knowledge, the habits of success, the creative know how, and the way-finding abilities to successfully navigate life.” (All 4 Ed)

- **For Organizations:**

“(F)uture-ready companies share three characteristics: they know who they are and what they stand for; they operate with a fixation on speed and simplicity; and they grow by scaling up their ability to learn, innovate, and seek good ideas regardless of their origin.” (McKinsey)

## It's a New World

*“It’s not like we don’t have enough jobs here in Wisconsin. . . .”*

-Sen. Ron Johnson (February 5, 2022)

# What Do We Know About the Future?

- Will AI create or destroy jobs?
- Who will control Congress?
- Who will control White House?
- Will inflation rates slow down?
- Will we face another pandemic?



**WHO KNOWS????**

# What Do We Know about the Near Future

- It will be messy and unpredictable
  - Bigger and More Frequent Economic Shocks
    - Impact of Climate Change
- Talent will be in Short Supply
  - Great Resignation
  - Demographic Pressures
  - New Ways of Working



# How To Respond?

## Invest in Insurance

- Build a Diversified, Resilient Economy
  - With Multiple Industry Clusters
  - Strong Base of Entrepreneurs
- Build Community Capacity
- Build Resilient Infrastructure

## Invest for the Long Haul

- Build Capacities to:
  1. Develop Home Grown Talent
  2. Keep Your Existing Talent
  3. Attract New Talent to Your Region

# The Coming Talent Crunch

- Labor Market Participation Rates Continue to Fall
  - 10,000 Baby Boomers Eligible for Retirement Every Day (for next 19 years)
  - US job vacancies averaging 6 million per month
- Future Projections are Dire
  - Manufacturing Institute: 2 million unfilled mfg. jobs by 2030
  - Korn Ferry: 6 million unfilled “high-skill” jobs by 2030
- Geography of Talent remains uneven
  - Still concentrated in major metros
    - But more mobility: 17% of workers relocated in 2021 (Up from 9%)
- Lower skill workers not engaged in support systems
  - Less than 20% engaged in adult learning opportunities
- Remote Work is Here to Stay
  - About 5% of all workers pre-pandemic
  - Projected to reach 25% of all workers
    - With another 15-20% in hybrid work



# FUTURE TALENT CONSIDERATIONS

- **New Ways of Working**
  - Digital Competencies and Skills
  - More Independent Work
- **New Ways of Learning**
  - Reduced role for Traditional Higher Ed
  - Increased role for On-the-Job Training and Upskilling
- **New Places for Work**
  - Growing importance of Third Places
  - More Remote Work
- **A New Local Safety Net?**
  - Increased links between economic development and social safety net provision

# What Does a Future Ready Strategy Look Like?

## Talent

- Holistic Approach to Talent Development
- Invest in Quality of Place
- Close ties between employers and educational institutions,
- Entrepreneurial awareness and support that helps local people start and grow new ventures.

## Capacity

- Portfolio Approach to Economic Development Investments
- New Community Governance Approach
- Invest in Staff Capacity

# Holistic Approach to Talent Development

- Embrace an “All Hands on Deck” Mentality
- Talent Development  $\neq$  Workforce Development
- Training and Education Matter but so do:
  - Available and Affordable Housing
  - Affordable Broadband for Remote Work
  - Amenities and Things to Do



# Invest in Quality of Place

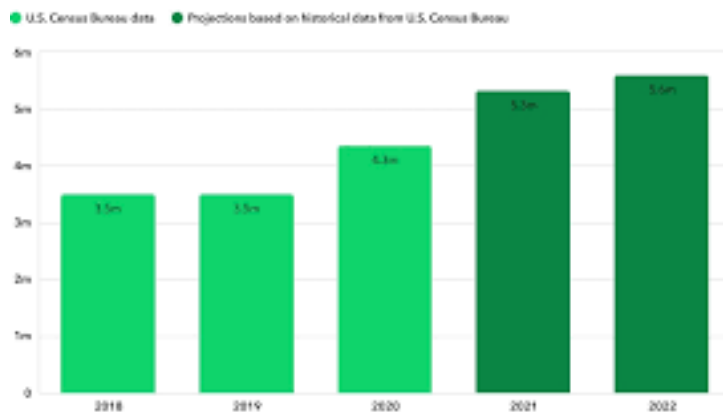
- Successful places offer affordable living while also offering a desirable mix of cultural, recreational, and lifestyle amenities.
- What Does Talent Want?
  - Opportunity
  - Anchors
  - Attachment
  - Amenities

# Link Employers and Educators

- Close ties between employers and educational institutions, with a focus on training related to middle-skill or opportunity occupations.
- Training and upskilling opportunities are readily available to local people.
- Embrace Opportunity Occupations
  - About 22% of all Jobs
  - Include fields such as nursing, truck drivers, sales reps, front-line supervisors, etc.

# Embrace Entrepreneurship

**New business starts per year: 2018 to 2022**

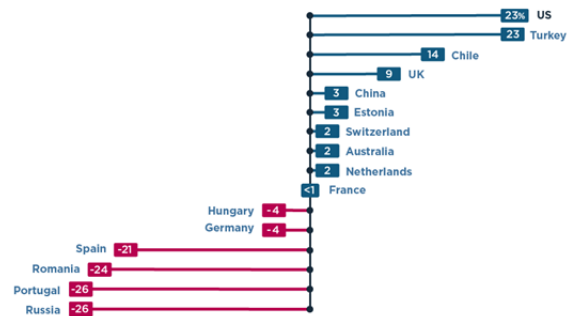


Source: CreditWorx analysis of the U.S. Census Bureau's Business Formation Statistics (November 2021) | <https://www.census.gov/econ/sa/index.html>

Figure 1

## Entrepreneurship in the United States increased during the pandemic more than in any other advanced economy

Year-on-year percent change in number of new business applications by country, Q1-Q3 2020



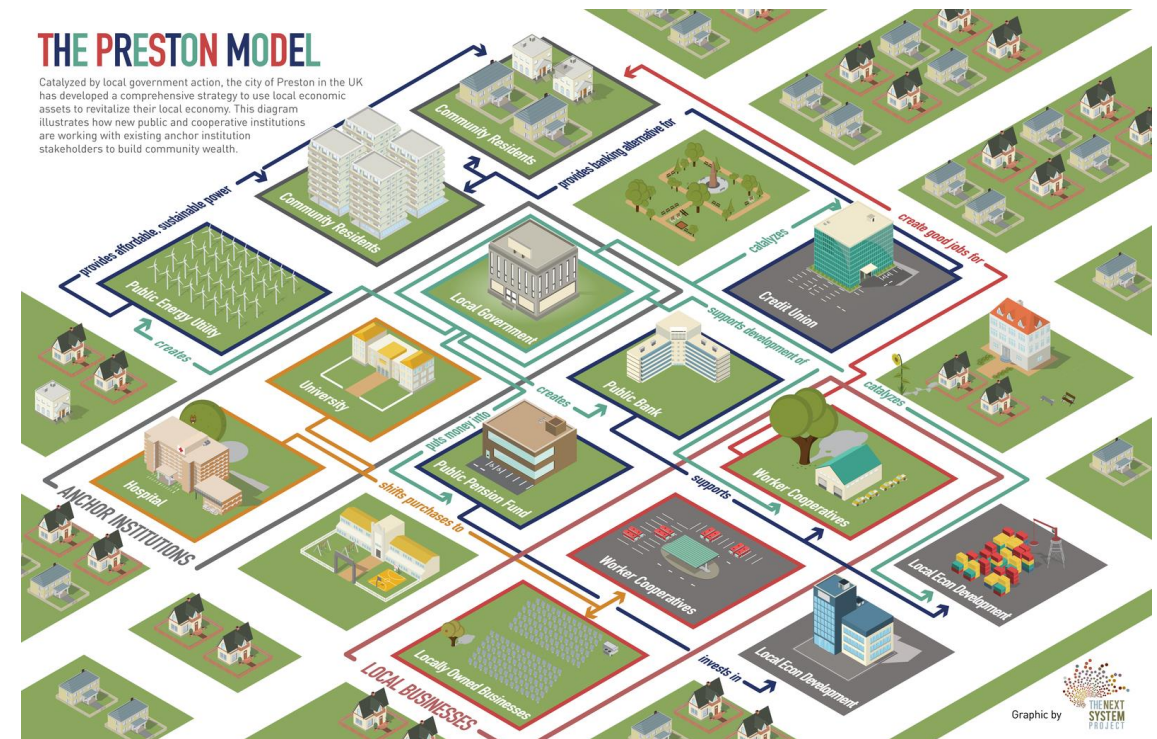
Note: Netherlands Q1-Q3 2020 value is calculated under the assumption that the number of startups registered in the second half of 2020 is equally distributed between Q3 and Q4.

Sources: State Administration for Market Regulation (China), Hungarian Central Statistical Office, the Netherlands Chamber of Commerce, Statistics Portugal (INE); for all other economies, data are from national sources (Australia, ASIC; Chile, Ministry of Economy; Estonia, RIK; France, INSEE; Germany, DESTATIS; Romania, ONRC; Russia, ROSSTAT; Spain, INE; Switzerland, Creditreform; Turkey, TOBB; United Kingdom, Gov.UK; United States, Census Bureau) accessed through Macrobond on January 20, 2021.

- Entrepreneurial awareness and support that helps local people start and grow new ventures.
- Community Focus vs. Job Creation Focus
- Key Data Points
  - 31% of “quitters” have started a business (McKinsey)
  - Boomers currently own around half of all US businesses

# Rethink Community Governance

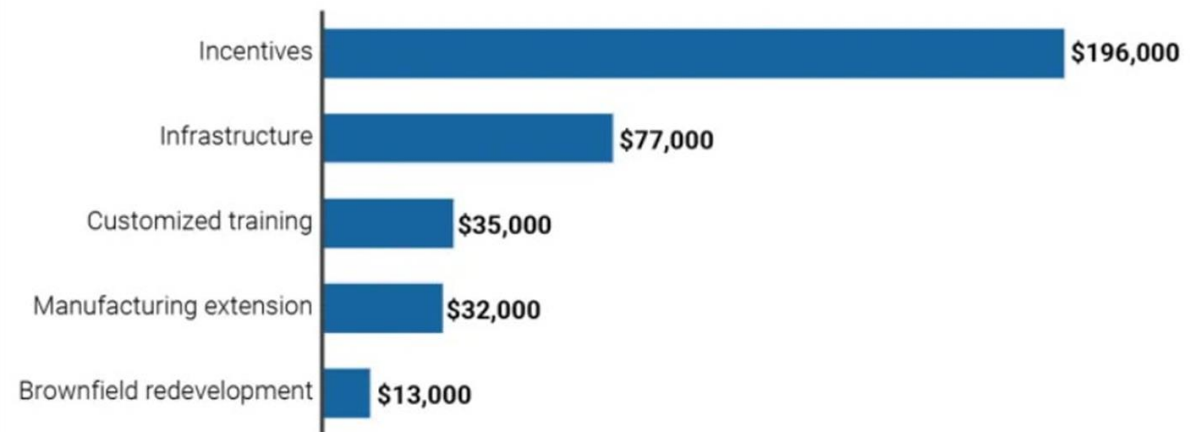
- Community collaboration and coordination based on governance structures that engage multiple stakeholders from industry, education, non-profits, and other sectors.
- Can be customized based on issues, partners, timing, etc.
- **EXAMPLE:** Entrepreneurial Ecosystem Building



# Portfolio Approach to Economic Development Investments

- Builds on existing strengths while also supporting economic diversification.
- Nurture a mix of locally-owned industries that offer opportunities to a wide swath of local residents.
- Knowledge-intensive sectors are especially important as they often offer better career options and business opportunities.

Figure 1. Present-value cost per job created of government growth-promotion policies



Source: Author's calculations. See: Bartik, Timothy J. 2020. "Using Place-Based Jobs Policies to Help Distressed Communities". *Journal of Economic Perspectives* (Summer): 99-127.



# Key Questions to Consider:

- Are we effectively supporting skills development and wealth creation opportunities for all residents?
  - Are we growing our talent base?
- Have we aligned/connected regional economic, community and workforce development efforts?
- Are we developing new amenities that can attract and retain talent?
- Are we diversifying our local economy?
- Are we future ready?

# Questions?

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