

# talent:

## A Two-Part Series.



Part One of this series examines the increasingly important role talent plays in the economic viability of communities across the country and explores the unique attributes of several creative workforce development and talent attraction initiatives being undertaken today. Access the paper today by visiting: [bit.ly/Talent\\_EconDev](http://bit.ly/Talent_EconDev)



Part Two of this series outlines the steps chamber and economic development professionals can use to identify, implement, and fund their own unique organizational or community solutions for workforce development and talent attraction goals. Access the paper today by visiting: [bit.ly/Talent\\_Funding](http://bit.ly/Talent_Funding)

# talent:

THE CURRENCY OF THE  
21ST CENTURY ECONOMIC DEVELOPER



PART I IN A TWO-PART SERIES

# Talent: The Currency of the 21<sup>st</sup> Century Economic Developer

For more than 30 years I've had the opportunity to assist communities with their development goals and have witnessed first-hand the profound changes affecting economies in rural America, suburbia, and major metropolitan statistical areas (MSAs). Whether it's rural agriculture towns like Henderson, Kentucky, blue-collar to white-collar transitional cities like Roanoke, Virginia, tourism-centric communities like Daytona Beach, Florida, university-driven towns like Athens, Georgia, or major MSAs like Atlanta, Georgia, no economy has remained immune to the immutable law of capitalism known as profit.

How companies generate profit and how communities play a vital role in that goal is the purpose of this commentary. Without profitable businesses, communities lose jobs, wealth, taxes, and families. It's a downward spiral that has unfortunately played out across thousands of American communities in the last century. While it's easy to name celebrated ghost towns that once capitalized in real gold, like Bodie, California; Virginia City, Montana; and St. Elmo, Colorado, what happened to the struggling communities of Thurmond, West Virginia or downtown Cairo, Illinois? Quite simply, they weren't profitable enough for the companies or families that once lived there. For whatever reason, be it environmental or man-made, as companies and workers leave, tax income dwindles and government and social services are greatly reduced or eliminated. City bankruptcy ensues and if no buyer or bailout is found a ghost town emerges.

If you're thinking, "So what? These communities were too small to sustain themselves and my community is 'too big to fail,'" what do you think gave rise to the challenges facing Detroit, Michigan, San Bernardino, California, and Jefferson County, Alabama, which have all filed bankruptcy this decade, as have many others. If you are a community leader, have you considered what your "gold" is and whether or not you might lose it in the near future?

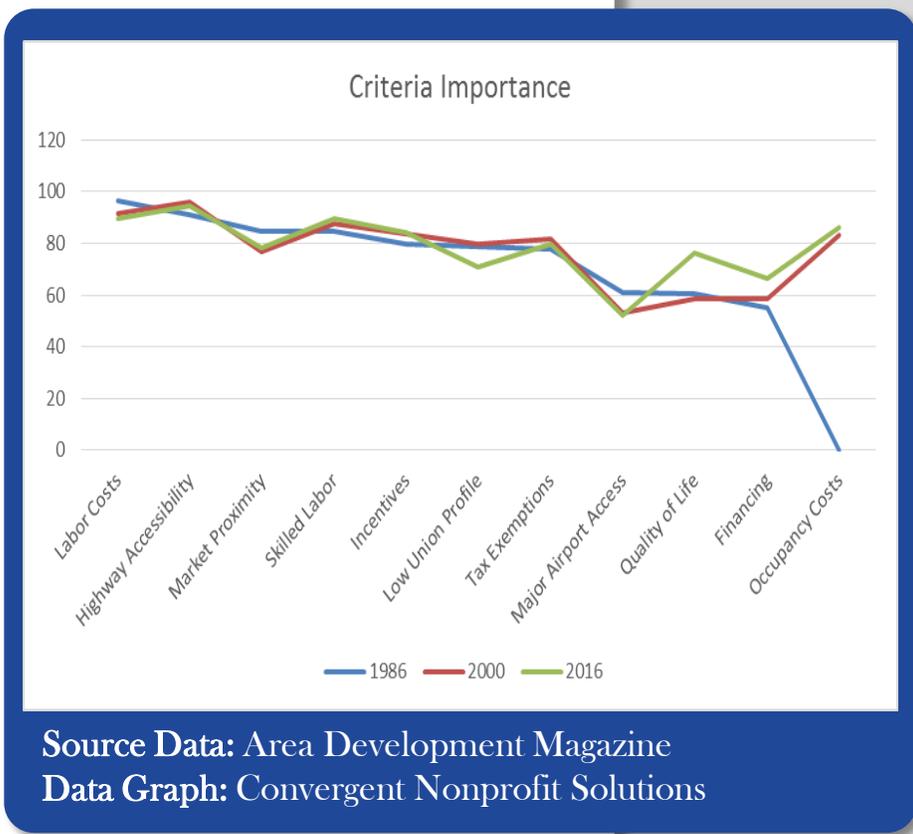


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Oblivious to most people as they focus on their daily routine with kids, school, and work, the gears of industry are focused 24/7 on the bottom line. They calculate hundreds of variables daily to determine if they can maintain or improve profits for their owners or shareholders. Generally speaking, the corporate businesses that economic development professionals are trying to recruit do succeed and spend many years, quite often their entirety, in a single location. Sometimes, however, they realize the current local variables are moving beyond their control. They must make tough decisions to close permanently, expand to other locations, or relocate entirely to stay viable. If enough companies choose to relocate, the economic impact is devastating and communities struggle to reinvent themselves or risk insolvency.

Since 1986, Area Development Magazine has published an annual ranking of the attributes most important to companies considering relocating or expanding to an area and, by extension, staying. Although the top ten variables important to industry change from year to year, there is a remarkable consistency over the past 30 years in the top three priorities: availability of highway accessibility, availability of skilled labor, and labor costs. Labor has been the historical driver of American productivity, first skills then costs. This bodes well for those communities that have technical colleges, community colleges, and major universities. Those communities who've taken it a step further and have come to the realization that workforce development begins in middle school and thus have programs addressing these skills earlier than other communities will realize a significant long-term advantage.

The flip-side of workforce development (increasing skills) is talent attraction (those that already possess skills), and it is no secret by now that many young professionals seek the place they want to call home often before they even have a job. Quality of life obviously means



different things to different people, but to the skilled talent demographic, it often means a supportive and inclusive environmental culture including social responsibility; a variety of housing and transportation choices; easy walk, bike, bus commutes to work; flexible work schedules; food, bar, health activities in abundance; multiple career choice opportunities; and authenticity.

Knowing that two of the top three considerations of industry location decisions speak directly to talent, it should be abundantly clear where all communities must focus for longevity. The “gold” of today is vastly different than the gold rush of 1849. As Beth Doughty, a top economic development professional and Executive Director of the Roanoke Regional Partnership often says, “talent is the currency of the 21<sup>st</sup> century.”

“Talent is the currency  
of the 21<sup>st</sup> century.”

- Beth Doughty,  
Executive Director,  
Roanoke Regional Partnership

## Begin with the End in Mind

If a company wants to build and sell a widget of any kind, they reverse engineer the process. For instance, if a neatly packaged product is desired in the fourth quarter of 2017, they work backwards from that date to determine when raw materials must be ordered, when to assemble or refine those materials, and when to package and market those materials. The same is true with workforce development and talent attraction. When will a community be able to market itself as one having the workforce skills to meet the demands of the industries it seeks? Before deconstructing that process, let’s take a quick look at why and when workforce development became so challenging.

In the last half of the 20<sup>th</sup> century it was common for vocational training to be prevalent in high schools. Following on the heels of three wars (WWII, Korea, and Vietnam), students weren’t admonished to go to college or face a lifetime of failure, as a high school diploma and an apprentice program were seen as viable, even preferable, in many if not most communities. Military service was an admired alternative. It was a different culture then. In the early 1980s, computers and the internet began to change that narrative while at the same time vocational training

in high schools began to transition to technical colleges and community colleges. New talking points emerged among guidance counselors, parents, and academia that encouraged nearly every student to go to college.

Today, we see that 70 percent of high school students enroll in college. Of those, an astonishing 50 percent drop out before acquiring a degree, having no marketable skills to speak of, and are often saddled with large student loans that must be repaid

immediately. Data suggests that approximately 35 percent of high school students are statistically inclined to begin, complete their coursework, and matriculate. With such historical evidence, why aren't we providing more technically enriching programs for the clear majority of our children, ensuring they find good paying careers which provide stability and self-worth with minimal student load debt? As a society, we are not helping the 65 percent of students who need it the most and are unfairly stigmatizing them in the process.

For American talent to remain competitive we must start earlier and education must be better focused on the realities of work in the 21<sup>st</sup> century. Identifying what opportunities are trending upwards long-term and what skills will be needed for those jobs would be a great first start. Make vocational/technical training "cool" again and remove the stigma that every child must go to college. Cradle-to-grave education should be a reality, not a slideshow bullet point if America is to succeed. Consider the following five examples that other communities have initiated:

**Talent Attraction: Millennials in Transition\***  
**Roanoke Regional Partnership, Roanoke, VA** – This regional EDO has been around for 30 years and has many reasons to boast. In the last five years, they've helped facilitate 6,764 new and retained primary and secondary jobs and announced more than \$501 million in new capital investment. With the success of their recent \$7 million plus capital campaign and the addition of a new talent attraction specialist, they plan to spend substantial time and focus

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*\* Denotes  
Convergent  
managed  
capital  
campaign*

**Funding Insights:**  
Completed in June 2017, this is the third capital campaign in a row for the partnership. With \$3.6 million pledged from the private sector and a formula based public sector match, the five-year campaign is approaching \$7.5 million for this multi-county, multi-city effort.

permanently on recruiting the thousands of millennials already living within their midst. Within an hour's drive are the post-secondary institutions of Virginia Tech, Liberty University, Radford University, Washington and Lee University, Virginia Military Institute, and an astounding 15 others. This temporarily captured audience is an ideal target for focused recruitment efforts.

### Workforce Development: The Greenwood Promise\*

**Greenwood Partnership Alliance, Greenwood, SC** – Several years ago, the Alliance initiated what has now become known as The Greenwood Promise. Focused on workforce development by stabilizing the local workforce and attracting new families, the goal is simple: Provide a free post-secondary education to those living in Greenwood. Eligibility is determined by residence, not academics or need. In order to promote county residence and attract young families to the community, the longer a student resides in Greenwood County, the more financial assistance is available.

### Talent Attraction: KYNDLE Warriors\*

**KYNDLE, Henderson, KY** – The Kentucky Network for Development, Leadership, and Engagement (KYNDLE) is a regional Chamber/EDO headquartered in Henderson, KY. Within a few hours' drive are the military installations of Fort Knox, Fort Campbell, Tinker Air Force Base, Camp Atterbury, and Grissom Air Reserve Base. The concept is disarmingly brilliant. As military members are mustering out each year they match this highly skilled, mobile, strong work ethic demographic to local job opportunities. A contract employee visits the base regularly, highlighting local job opportunities and as positions are filled the contractor receives additional compensation for success.

## Funding Insights:

As of June 2016, The Greenwood Promise has successfully secured over \$4.5 million via a capital campaign for Phase I of the initiative. Because it's an endowment, businesses don't have to worry about it expiring like tax incentives do, so the benefits are more long-term, an attractive benefit to businesses relocating to or expanding in the county.

## Funding Insights:

This is the third consecutive campaign for the joint Chamber/EDO. Fresh on the heels of a merger, the \$3.4 million campaign generated enough revenue over the original five-year goal that a special revolving loan/incentive fund was created for area industry.

## Workforce Development: Pathways in Technology (P-Tech)

IBM, City University of New York, and NYC Department of Education, Brooklyn, NY – This public/private partnership is about giving real-time technology skills to high school students. Although IBM shapes the curriculum and graduates are first in line for IBM job openings, the skills are cross-platform for multiple industries. Students graduate high school and earn an Associate’s degree simultaneously. The longer school hours and mandatory summer school creates a strong work ethic and shows the power of persistence. Since the first school opened in NYC in 2011, more than 60 P-Tech schools have opened across the country.

## Workforce Development: Paid High School Internships

Step-up Achieve, Minneapolis, MN – Created in 2004, Step-up Achieve has created over 8,000 quality internship opportunities and is a proven workforce development initiative that has connected youth ages 16-21 with hundreds of companies with paid internships in 17 industries. These internships offer professional skills training, on-the-job experience, and connections with adult mentors who can help participants achieve their career goals. The program’s goal is to diversify the area’s workforce and build a strong base of young, skilled workers who can keep the regional economy strong and vibrant.

As you can see, many communities have waded into the turbulent waters of workforce development and attraction. Although each has their own unique approach, with varying degrees of success and funding needed, the end goal is the same – creating, maintaining, and improving that availability of skilled labor for American industry. After years of well-intentioned but myopic agendas, community leaders in government, education, and business are finally joining forces in earnest to rebuild America’s greatest asset.

## Funding Insights:

P-Tech is funded through the local school system and corporate partners that provide the capital for renovation, mentors, industry visits, full-time company liaisons, and speaking engagements. Dozens of private sector businesses are necessary to sustain these schools long-term, longer than the typical five-year capital campaign pledge. Fortunately, the results are also long-term.

## Funding Insights:

The school system manages the funds pledged by more than 160 companies and takes no administrative fees to do so. Companies pledge for multiple years and can designate funds to a specific school, program, or department. More than \$1 million is available annually for career training and readiness and scholarships, and interns are paid directly by the companies while learning new skills.

## ***Author's Note:***

Thank you for reading, "The Currency of the 21<sup>st</sup> Century Economic Developer," part one in my two-part series on *Talent*. Workforce development is a nationwide concern facing all chambers and economic development organizations. It is my hope that this paper, based on my personal experience in the field, will help to provide deeper insight into both the challenges and opportunities inherent in workforce development activities.

- Lawrence McKinney, CEcD, CCE  
Convergent Nonprofit Solutions

## **About the Author**



Lawrence McKinney, CEcD, CCE works with Convergent Nonprofit Solutions. He has served as CEO of the Daytona (FL) Regional Chamber of Commerce, Athens

Area (GA) Chamber of Commerce, Partners for Tomorrow (Atlanta, GA), Meriwether County (GA), and Columbia County (GA) Development Authorities over a 30-year career. During that time, he has generated over \$90 million for regional, multi-county, and multi-city economic development organizations.

Reach him at:

[LMcKinney@ConvergentNonprofit.com](mailto:LMcKinney@ConvergentNonprofit.com)

## **About the Sponsor**

Convergent Nonprofit Solutions is a national fundraising consulting firm that specializes in managing feasibility studies and capital campaigns for chambers, economic development organizations, community colleges, and other nonprofits. Capital campaigns can play a key role in community development efforts, including those related to talent attraction and retention. Thanks to our extensive background in chamber, economic development, and workforce development fundraising throughout the country, we are able to provide your organization with valuable insights and customized solutions as to how a capital campaign can help you reach your goals.

**Ready to learn more? Contact us today.**

## ***Identifying, Implementing, & Funding Organizational Solutions***

Part two of this series outlines the steps chamber and economic development professionals can use to identify, implement, and fund their own unique organizational or community solution for workforce development and talent attraction goals.

# talent:

IDENTIFYING, IMPLEMENTING, & FUNDING  
ORGANIZATIONAL SOLUTIONS



PART II IN A TWO-PART SERIES

# Talent: Identifying, Implementing, & Funding Organizational Solutions

This is the second of two articles regarding how economic development leaders can address the most significant factor affecting American industry – the availability of skilled labor. Since 1986, Area Development Magazine has polled corporate executives and site selection consultants and every year, until now, the top consideration for industry has been “Highway Accessibility.” Although “Availability of Skilled Labor” has always been a top contender, it wasn’t until 2016 that it finally replaced highway accessibility.

If you are a community organization leader, you can no longer afford to wait on those in education and government to figure out how to grow your skilled talent base. Chicagoland is an excellent example of this vexing issue. During the past five years, over 60 companies have relocated their headquarters to the area, including most recently Caterpillar, citing the need for skilled labor. Many companies can no longer wait on communities that don’t understand the critical skills gap and have decided instead to relocate their operations to where the skilled talent pool already exists.

This article provides a blueprint for your community to not only understand your labor market and potential skills gap, but also “how” and “why” it is necessary to secure funding to address it. You certainly don’t want your companies moving somewhere else because your talent supply is sub-optimal, especially if it happens at a time when your organization isn’t even working on a strategy to address it. Regardless of how well-liked you are, political leaders will always find a scapegoat. Not every community is the same, so obviously there isn’t a cookie cutter approach to addressing this issue. There are, however, some general guidelines for the process of identifying and determining your organization or community’s individual solutions.

**It’s up to you!**  
When it comes to funding your workforce development and talent attraction goals, you can no longer afford to wait on those in education and government to figure it out.

# Five Steps to Begin a Short-Term Discussion for Long-Term Solutions

## Step 1. Knowledge is Power

It is crucial to personally gather enough data in order to understand the workforce needs of local businesses. These are examples of the types of questions you should ask:

- What positions are available and what are you hiring for?
- What are your projected future employment needs?
- What are the emerging skills sets necessary and required?
- What specific difficulties do you have in acquiring and hiring employees?

It is best practice to conduct these confidential in-person interviews with a cross-section of the top 75-100 businesses in your area. Further, survey the remaining businesses either online and/or via snail mail. Once gathered, compile the data and identify whether there are common workforce/skills issues that are impacting the community. If, by chance, no significant deficit areas are identified, the process of gathering the data can and should be utilized to build and enhance working relationships with the business leaders within the community.

## Step 2. Strength in Numbers

If the data indicates significant and consistent workforce/skill deficits, or more positively stated, “opportunities for improvement,” then it’s time to convene a small group of business and community leaders (or possibly just your executive committee if you run this type of organization) to discuss the findings and suggest next steps. There is a high

probability that the committee will desire an outside expert to perform a thorough Labor Market Analysis. If not, you should suggest it for several reasons. First, this provides objectivity and lends further credibility to your analysis of the data collected. Second, and sometimes just as importantly, this serve as a shield for those who will be opposed to the effort. In my experience, someone’s ox always gets gored no matter how carefully a plan is crafted. Your small group will most likely offer ideas on how to fund this study and will undoubtedly contribute in some way. Remember the adage, “If they write it, they will underwrite it.”

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### Step 3. Building Diverse and Inclusive Support

A few months later, armed now with facts and data from the Labor Market Analysis, it's time for your small group to engage your full board/organization (or the media and the overall community if intended) on a plan of action. There are many factors of organizational and/or community action plans. This will also be a financial investment, so it's especially important that your smaller group grow to support the effort. Having the media engaged and reporting on the outcomes is only necessary if your organization is a public entity desirous of community goodwill and transparency. For private groups it can be beneficial as well.

### Step 4. Data, Goals, and Metrics for Implementation

With a thorough understanding of community-specific workforce challenges and a community- or organization-wide vetting undertaken, the opportunity now exists for your organization to lead or co-lead the process of implementation. You have supporting data, organizational goals with date-certain metrics that matter, and you have prepared detailed estimates on what it will cost (staff, administration, and functional expenses) to implement each strategy designed to reach those goals. Typically, community organizations develop and implement community or economic development plans on five-year funding cycles. Keep in mind that it may take five to 15 years for full implementation depending on your scope of work, but now you have a solid, data-driven foundation on which to build.

### Step 5. Determine Financial Support by Conducting an Opportunity Analysis

Finally, once the plan is crafted, it is time to determine the level of community and organizational support and the financial feasibility to fully implement the proposed plan. The typical method chosen by nonprofit organizations is to hire a fundraising consultant to conduct a feasibility or opportunity analysis. When an objective fundraising consultant is brought in to review the proposed plan and to gather specific data relative to the community it can be invaluable to the overall outcome. No longer under public peer pressure to participate, interviewees will confidentially provide important insights and nuances key to the success of the plan and ultimately the

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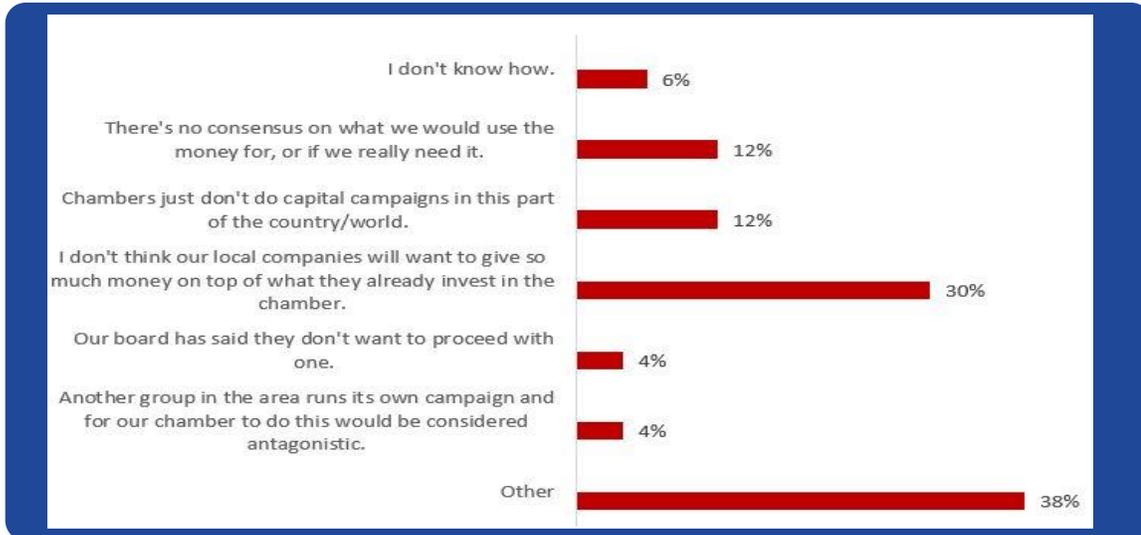
organization. Additionally, peripheral insights are often gleaned which can be used to modify the plan and raise additional unanticipated revenues. Some organizations, attempting to “save money,” presume that by talking to a few key community leaders and investors they can gauge overall financial support. The reality, however, is interviewees may not provide full disclosure about the organization’s goals and their own actual support (financial and otherwise), resulting in a reduced overall scale of investment.

I’ve conducted campaigns for local economic development organizations where I was CEO, but I’ve also led capital campaigns as an “outside expert” for other communities. Speaking from personal experience, there is a significant difference and potential outcome between these two choices: Interviewees told me what I *wanted* to hear when I did the fundraising “in house,” but when I represented other communities I was told what I *needed* to hear. When we live, work, and play alongside fellow community leaders we expect them to be forthright, however, many times in confidential interviews outside consultants are made aware of issues local leaders would like vetted but only if their names aren’t used. It puts them in a potentially awkward situation with their peers and/or people with whom they do business. Because of this, it is a best practice to hire an outside firm to conduct the feasibility study, even if your volunteers are intent on doing the fundraising internally.

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## Is A Capital Campaign Right For You?

The Association of Chamber of Commerce Executives (ACCE) conducted a quick poll in February 2017 regarding capital campaigns. The survey’s 122 respondents were nearly equally split between those who did a campaign (50%) and those who did not (46%). According to the results, 51% of chambers that conducted a campaign used outside council while 49% conducted their campaign in-house. Of all chambers surveyed, 38% are not sure if they will conduct a campaign at all, leading to the survey’s next question, “If you are not planning to run a capital campaign in the near future, why not? (Please select as many options as apply).” Respondents cited issues such as:



Apparently, for these respondents, the mantra is apparently no longer, “a rising tide lifts all boats,” but rather, “without a vision, the people will perish.” For transformational chambers of commerce and economic development organizations, it is extremely rare to have the resources readily available for implementing bold ideas without a dedicated, time-certain capital campaign.

As the world becomes ultra-competitive for skilled labor, one certainty is without question: where you and your community are positioned is vital to long-term growth and sustainability. You must regularly assess and reassess opportunities and threats to your community, engage a constantly revolving volunteer leadership group, and consistently seek ways to position your organization as the “go-to” group of thought leadership. If talent is indeed the “currency of the 21<sup>st</sup> century” as I quoted in Part One of this series, your singular ability and determination to facilitate and to implement a talent attraction / workforce development strategy may produce all of the “gold” your community will ever need.

Where you and your community are positioned is vital to long-term growth and sustainability.

For more insights on the Association of Chamber of Commerce Executives’ 2017 Capital Campaigns Quick Poll, visit: <http://bit.ly/CapCampaignQPAnalysis> or [www.ACCE.org](http://www.ACCE.org)

## ***Author's Note:***

Thank you for reading, "Identifying, Implementing, and Funding Organizational Solutions," Part Two in this series on the *Availability of Skilled Labor*. Workforce development/talent attraction are universal concerns facing all chambers and economic development organizations. It is my hope that this paper, based on my personal experience in the field, will help to provide deeper insight into both the challenges and opportunities they present.

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