

Area Leaders Introduced to Factors Affecting Future Workforce Challenges

An economic conference was held on April 30 at the Central Texas Council of Governments building in Belton. The conference was sponsored by the Central Texas Economic Corridor, the Workforce Solutions of Central Texas and TIP Strategies. Due to limited seating, each community invited a select number of community leaders to participate in the annual conference.

The conference focused on the theme, “The Workforce of the Future.”

Rich Froeschle, deputy director of the Labor Market and Career Information (LMCI) department of the Texas Workforce Commission, presented the topic, Globalization and the Texas Economy. Following Froeschle’s presentation, Rebecca Ryan, co-CEO of The Next Generation Consulting (NGC), gave the keynote presentation on Creating Place to recruit Talent.

Prior to the keynote speech presented by Rebecca Ryan, area leaders were introduced to factors affecting future workforce challenges by Rich Froeschle, Texas Workforce Commission.

Froeschle focused on globalization and the Texas economy, and Ryan focused on the workforce of the future. Both speakers made it crystal clear that the central Texas region will compete globally for both “talent (qualified labor)” and product sales.

Froeschle, an expert on interpreting labor market information, didn’t provide just the anticipated standard data on employment, wages and benefits. Rather, his presentation dispelled the notion that a large percentage of American-based companies are off-shoring jobs to foreign countries. For example, manufacturing investments taken abroad equal approximately 21 percent; wholesale trade is 6.9 percent and call centers are in the 2.4 percentage range.

He pointed out that most of the jobs being off-shored are the lesser-paying jobs while the U.S. maintains the highly skilled jobs that pay higher wages.

American-based companies have indeed increased their revenue in foreign countries. A traveler can go to Italy and find the Golden Arches of McDonald’s in most major tourist cities. Colgate, for example, increased their revenue from 69.4 percent to 80.3 percent from 2000 to 2007 in countries outside the United States. Froeschle says that Americans may be buying a lot of toothpaste but not as much as foreigners in global economies.

So what are the Top Ten Industries, based on revenue, in the state of Texas?

| Industry Type: | Revenues: | % of Change from 2004-07 |
|--------------------------------------|------------------|---------------------------------|
| Petroleum Products Mfg. | \$53.75 billion | 68.2% |
| Oil & Gas Extraction | \$42.65 billion | 62.8% |
| Building & Equipment Contractors | \$20.40 billion | 46.0% |
| Local Government exc. Health &ED | \$18.68 billion | 22.0% |
| Support Activities for Mining | \$14.73 billion | 62.8% |
| Building Foundation/Ext. Contractors | \$11.24 billion | 49.1% |
| Medical & Surgical Hospitals | \$10.69 billion | 43.4% |
| Architect & Engineering Services | \$9.78 billion | 51.9% |
| Machinery & Supply Wholesalers | \$9.71 billion | 23.3% |
| Computer & Peripheral Equipment | \$9.66 billion | 121.0% |

One of Rich Froeschle's ending statements presented a fact that most attendees continue to repeat. That is, "If the majority of the work can be done via a 'wire,' then the work is off-shoreable."

Community leaders of the greater Killeen area met the day after hearing Froeschle and chose to look closer at the Top Ten Texas Industries to see if the chamber of commerce Plan of Work can incorporate targeting any of these industries to locate in Killeen.