

**Fond du Lac Area Association of Commerce
2010-2011 Fond du Lac County**

Retirement & Departure Intentions Survey Report



December 2011

Fond du Lac Area Association of Commerce
and the Fond du Lac Area Human Resource Association
in conjunction with

Introduction

Understanding labor availability in the Fond du Lac area is vital to ensuring the continued success of local businesses and the community as a whole. In order for businesses to grow and continue to thrive, a clear understanding of this issue and a commitment to solving related problems is needed.

In past years the Fond du Lac area, along with the entire nation, experienced economic uncertainty, financial difficulties and unprecedented changes in the way in which employees are entering and leaving the work force. A Retirement and Departure Intentions Study conducted in 2008 provided valuable insight and recommendations as to how impending labor shortages needed to be addressed. Most recently, local businesses have clearly focused on sustaining themselves during uncertain economic times; however, during that time the issue of labor availability in the Fond du Lac area has moved from a topic of much speculation and many anecdotal discussions to a stark reality. Because the local workplace, like most of Wisconsin and the rest of the nation, has undergone significant changes over the past few years, a follow-up survey was conducted in 2011. The purpose of this survey was to reevaluate the local employment environment, determine what if any changes occurred and develop a new course of action as needed.

To understand current labor issues, it is important to set the context for the research impetus. In 2010, Fond du Lac County's estimated population had risen 4.5 percent (since 2000) to 101,633, with a work force of 56,629. In 2010, the county had one of the highest labor participation rates in the state at 72.1 percent, placing it 16 out of 72 counties. Although the high labor participation rate illustrates the strength of the local work force, it is vital to consider the demographics and intentions of current employees. That is, to understand that a considerable number of current workers have planned for or are beginning to plan for retirement in the approaching years and as such, the need for an abundant labor pool exists.

Despite economic changes since 2008, the number of unfilled positions anticipated by 2026 appears to have increased. By using the 2010 Census and 2009 labor statistics, a forecast on the impact future retirements will have on area employment was estimated to be the potential inability to fill as many as 19,500 positions, far eclipsing the 17,000 projected in 2008. Assuming we retain a significant percentage of high school graduates through gainful employment and encourage the

return of others following education or military service, the figure would adjust to a shortage of 12,000 workers by 2026. More importantly, data indicates the need to attract and retain skilled labor will continue to be a significant issue within the next 15 years and will require new and innovative recruitment and retention strategies.

In mid-2011, the Fond du Lac Area Association of Commerce and Fond du Lac Area Human Resource Association met with representatives from Moraine Park Technical College to begin discussions on how to update the current employment environment and outlook for the Fond du Lac area. Based on the reliability of the previous Retirement and Departure Intentions Study, a follow-up study was conducted in order to provide the local community with a comprehensive analysis of the past, present and future labor availability issues facing Fond du Lac County.

Survey Research

Planning for the 2011 Fond du Lac Retirement and Departure Intentions survey began in early 2011. The project set out to update and assess findings from the 2008 study, specific objectives include:

- Anticipate retirement plans and factors influencing retirement decisions.
- Anticipate departure plans (other than retirement) and factors influencing departure decisions.
- Understand employer expectations for future work force skill level needs, retiring worker replacement intentions and recruitment strategies.
- Gather demographics, such as age, gender, specialty area, job function, tenure and employment status, with which to analyze retirement and departure intentions.

The employee surveying process was conducted via both a paper survey and an electronic survey sent directly to employees through the assistance of each employer. Surveying lasted from early 2011 through mid-2011 and included Fond du Lac County organizations with more than 50 employees, excluding health care employers who were covered in a 2011 study of health care workers conducted by the Fox Valley Health Care Alliance (FVHCA) and the Fox Valley Workforce Development Board (FVWDB). Organizations surveyed employ an estimated 12,000 employees in the Fond du Lac area. A total of 3,197 surveys were returned, providing a margin of error of +/- 1.68 percent given a finite population of 56,687 workers in the Fond du Lac labor force as of June 2011.

Although the survey was conducted using a convenience sample of organizations with 50 or more employees, it is assumed that the data is representative of the Fond du Lac labor force as a whole.

The employer surveying process was distributed electronically in mid-2011 and was completed by 45 key employers within Fond du Lac County.

Retirement Intentions

Years from Retirement

Respondents were asked to indicate how many years from now they plan to retire from their current field. Almost 18 percent (17.8 percent) of surveyed employees plan to retire within the next five years (Figure 1). An additional 17.6 percent plan to retire between six and 10 years, a cumulative loss of 35.4 percent of workers within the next 10 years. A total of 51.1 percent of workers intend to retire within 15 years, a 2.2 percentage point increase over the 2008 study and an 18.1 percentage point increase over historical 15 year retirement rates of 33 percent.

Of concern is that only 33 percent of workers are more than 20 years from retirement.

Figure 2 compares retirement intentions from the 2008 and 2011 surveys. The comparison reveals a nearly 1 percentage point increase in those less than one year from retirement and an increase of nearly 2 percentage points in those planning to retire within six to 10

Figure 1: Years from Retirement 2011

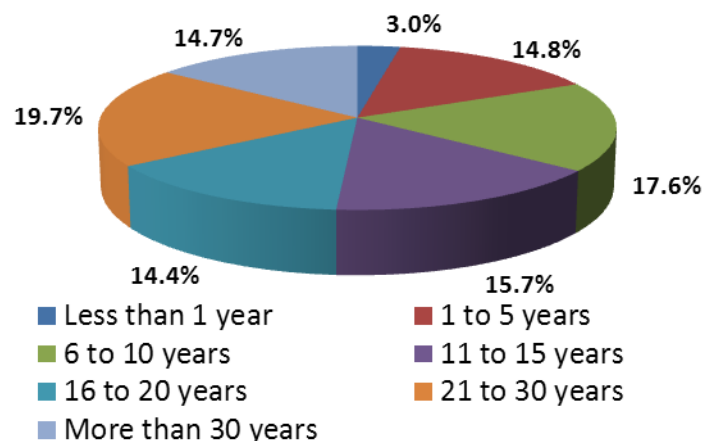
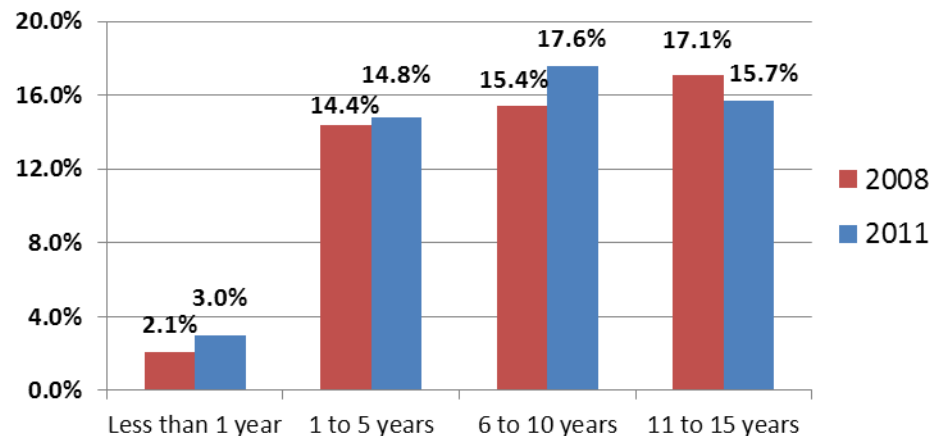
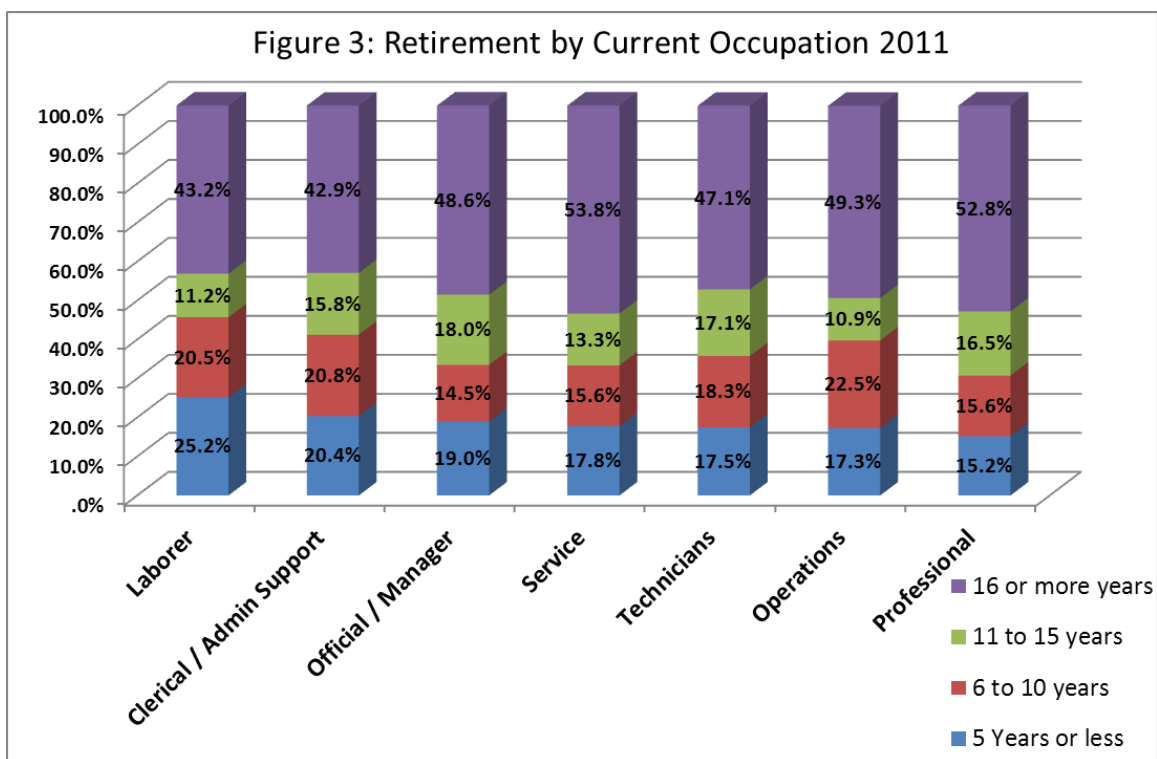


Figure 2: Years from Retirement - 2008 vs. 2011



years. That represents a cumulative increase of 3.5 (percentage points) more respondents in the 2011 survey who plan to retire within the next 10 years than was the case in 2008.

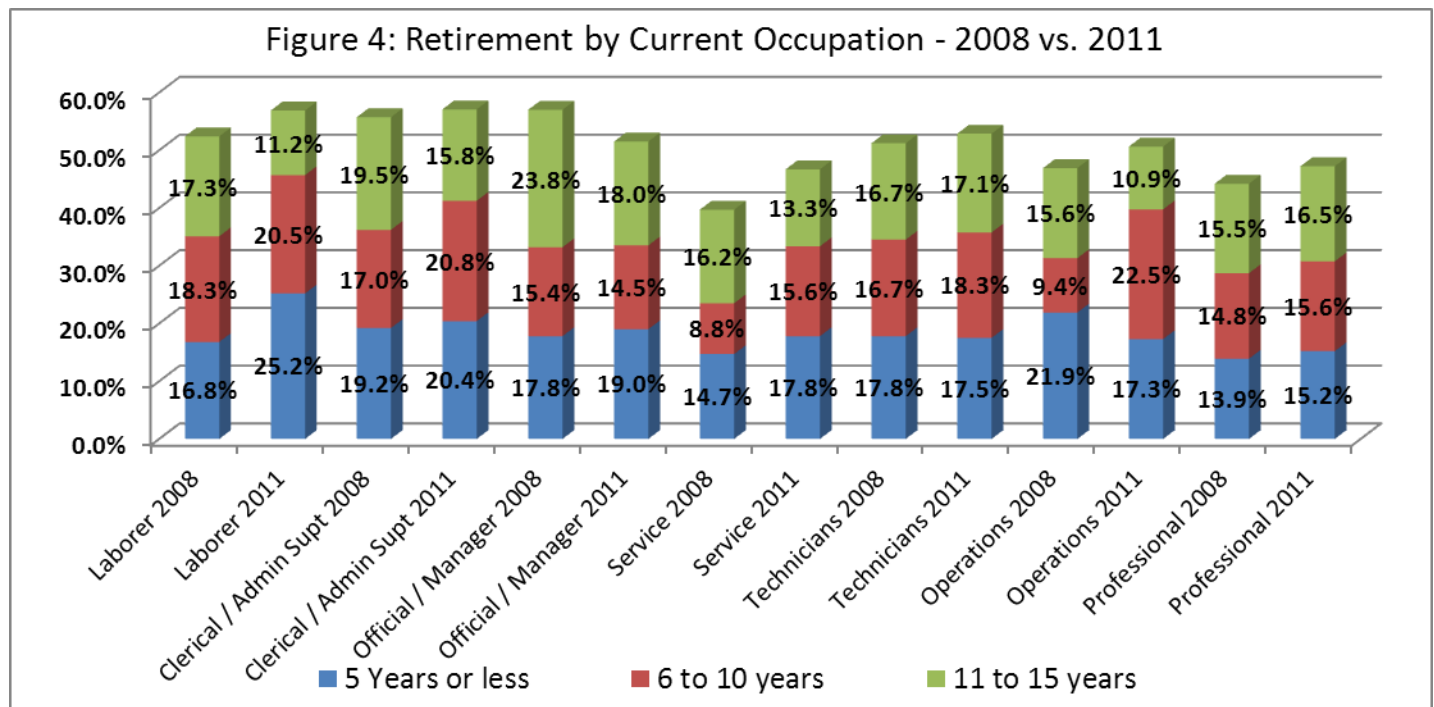
Figure 3 depicts retirement intentions by occupation. Laborer (25.2 percent) and Clerical/Administrative Support (20.4 percent) occupations will see the highest rate of retirements within the next 5-year period. Additionally, over the next 10 years, these occupational categories will also see higher rates of retirement than comparative categories – 45.7 percent of Laborers and 41.2 percent of Clerical/Administrative Support workers will depart from these particular occupations.



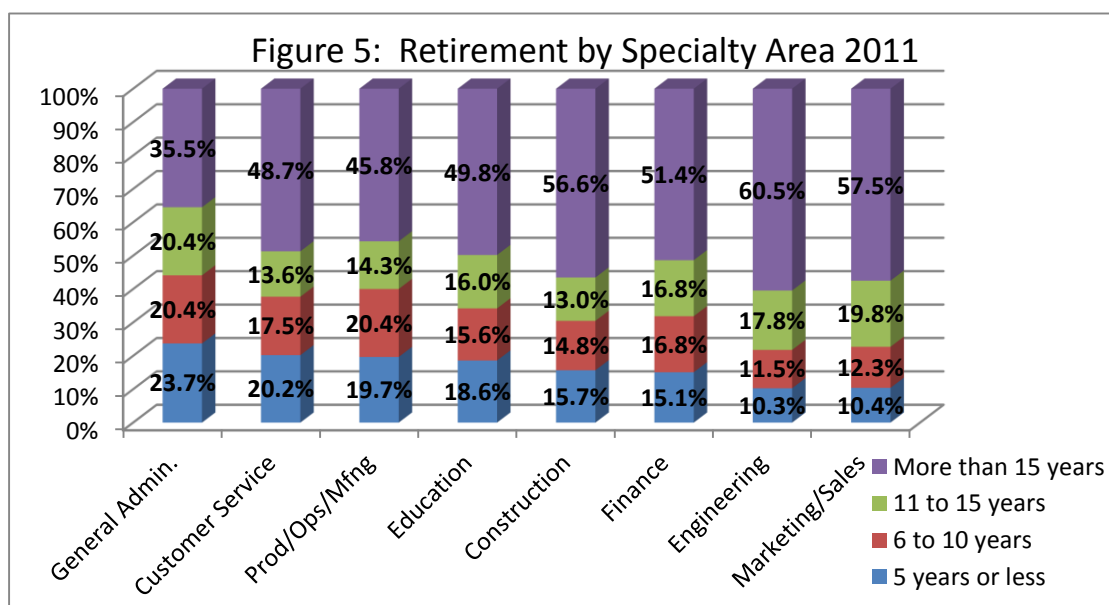
Several other occupations will also see significant retirements within the next five years including: Official/Manager, with indicated intentions at 19 percent; as well as Service, Technicians and Operations at over 17 percent planning to retire within five years. Professionals will see 5-year departure rates at a little over 15 percent of the work force.

The greatest change since 2008 in retirement intentions within the next five years is in the category of Laborers – a 50 percent increase (8.4 percentage points), from 16.8 percent in 2008 to 25.2 percent in 2011 (Figure 4). This same group (Laborers) reported an increase in intention to retire within the next 10 years, increasing 30 percent (10.6 percentage points), from 35.1 percent in 2008 to 45.7 percent in 2011.

While other groups did not report such a striking increase, there was a general trend (Figure 4) towards a slightly larger percent of persons intending to retire in the next five or 10-year periods within most occupational categories.

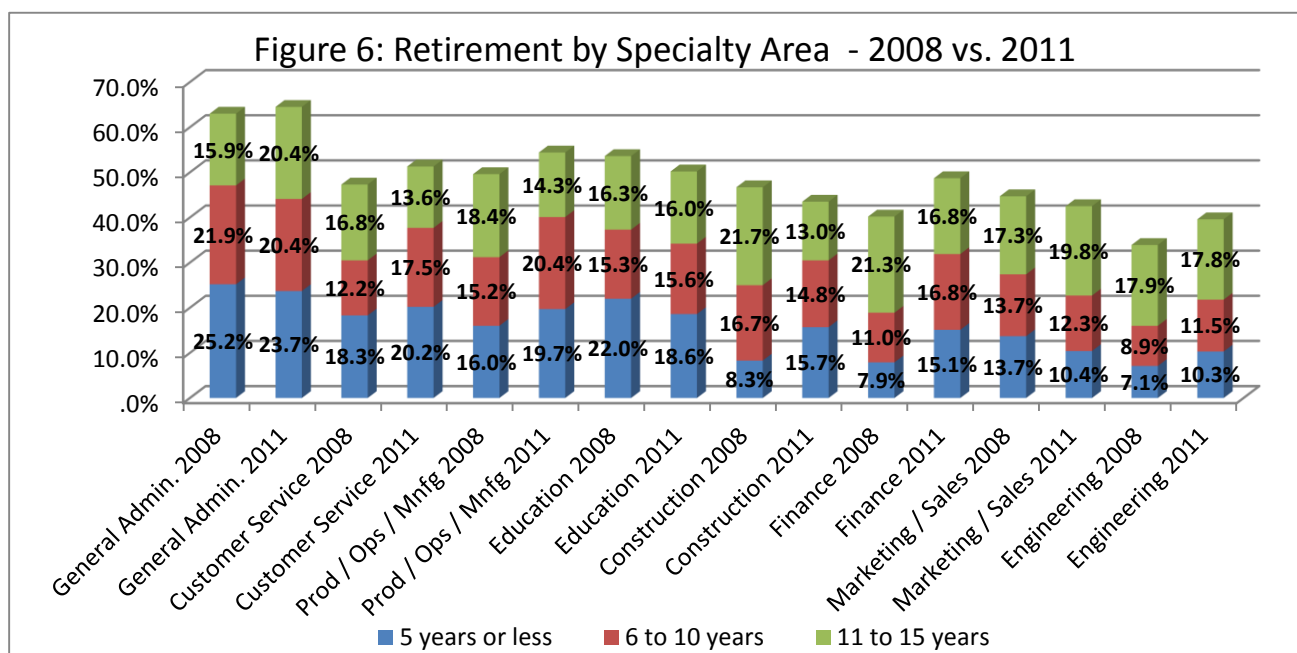


Retirement intentions by employee specialty area in the 2011 survey are reported in Figure 5. General Administration will see the highest rate of retirements within the next five years at 23.7 percent. A combined five and 10-year total of 44.1 percent of the General Administration work force cited departure intentions.



The specialty area hardest hit by impending retirements over the next 10 years will be General Administration, which shows a significant loss of 44.1 percent. In addition, several other specialty areas will see substantial retirements within the next 10 years, including Production/Operations/Manufacturing (40.1 percent), Customer Service (37.7 percent), Education (34.2 percent), Construction (30.5 percent) and Finance (31.9 percent). The Engineering specialty area reported comparatively low retirement intentions over the next 10 years at only 21.8 percent.

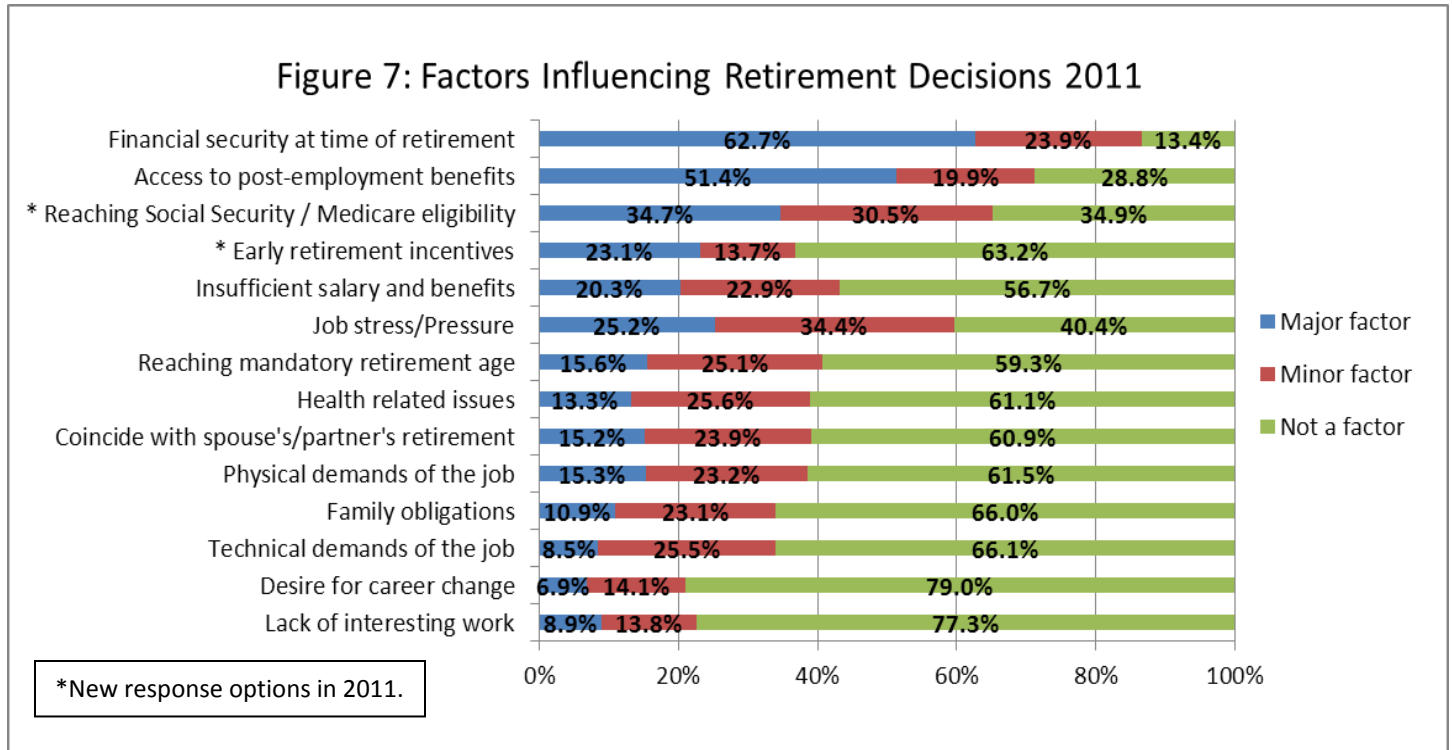
A comparison of retirement intentions by specialty area in 2008 to 2011 is shown in Figure 6. In both surveys, General Administration revealed the largest percentage of people intending to retire within five years - 25.2 percent in 2008 vs. 23.7 percent in 2011. Additionally, there were noticeable increases in the percentage of people intending to retire within five years in both Construction (8.3 percent in 2008 vs. 15.7 percent in 2011) and Finance (7.9 percent in 2008 vs. 15.1 percent in 2011). There were also smaller increases in other areas such as Customer Service and Production/Operations.



General Administration found only slightly fewer intending to retire within 10 years (47.1 percent in 2008 vs. 44.1 percent in 2011). However, there were noticeable increases in the proportion intending to retire in Customer Service (30.5 percent in 2008 vs. 37.7 percent in 2011), Production/Operations (31.2 percent in 2008 vs. 40.1 percent in 2011), Construction (25 percent in 2008 vs. 30.5 percent in 2011) and Finance (18.9 percent in 2008 vs. 31.9 percent in 2011).

Factors Influencing Retirement Decisions

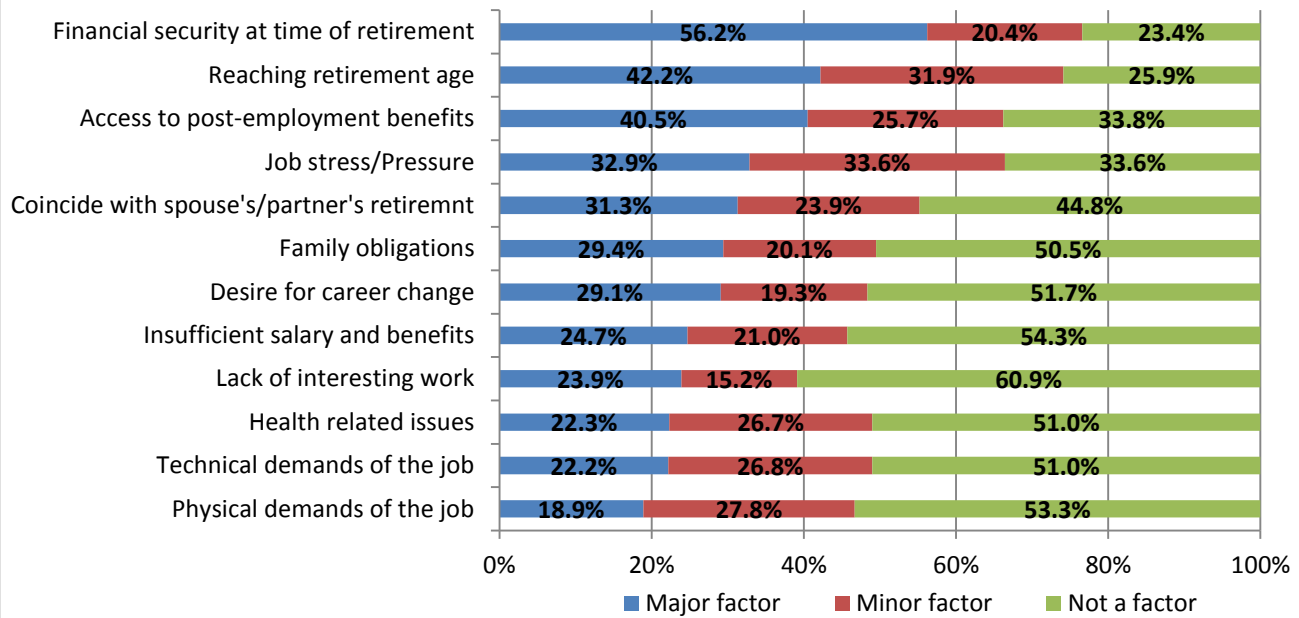
Respondents planning to retire within the next five years were presented a list of retirement issues and asked how much of a factor each was in their decision to retire (Figure 7).



Financial security at the time of retirement was the most significant driving force in respondents' retirement decisions – 62.7 percent of respondents identified this as a major factor. This was followed by access to post-employment benefits (51.4 percent) and reaching Social Security/Medicare eligibility (34.7 percent).

When comparing results from both the 2008 and 2011 surveys, slightly different patterns emerged (Figure 7 and Figure 8). The most important major factor identified in each survey was financial security, increasing from 56.2 percent in 2008 to 62.7 percent in 2011. In some areas, what appeared to be important factors influencing retirement decisions in 2008 are no longer perceived as equally important in 2011. In 2011, five of the six most important “major factors” influencing retirement are concerned with finances. By contrast, in 2008 only two of the six most important factors appeared to be financial in nature.

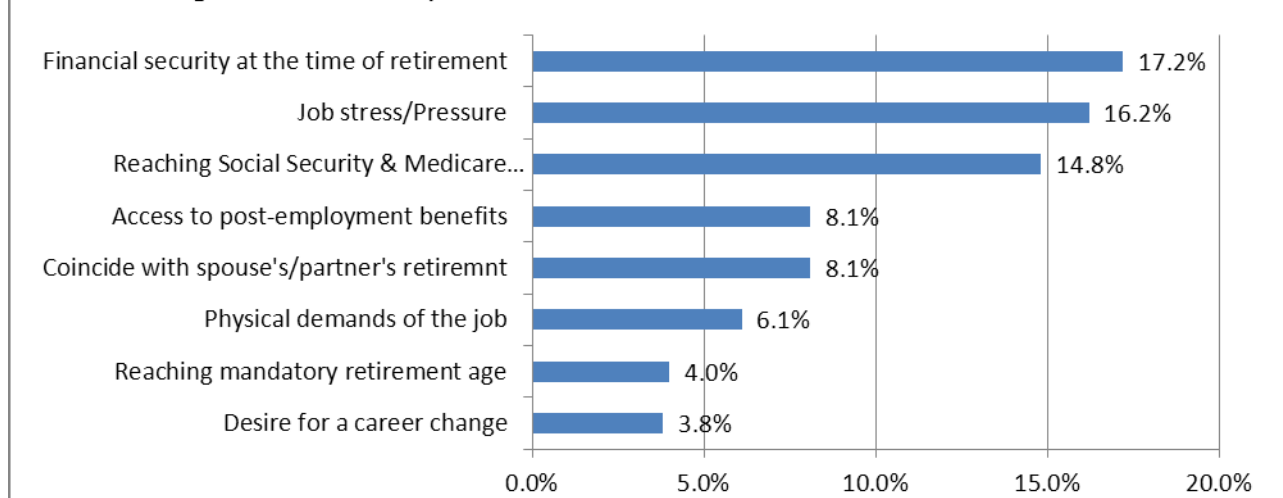
Figure 8: Factors Influencing Retirement Decisions 2008



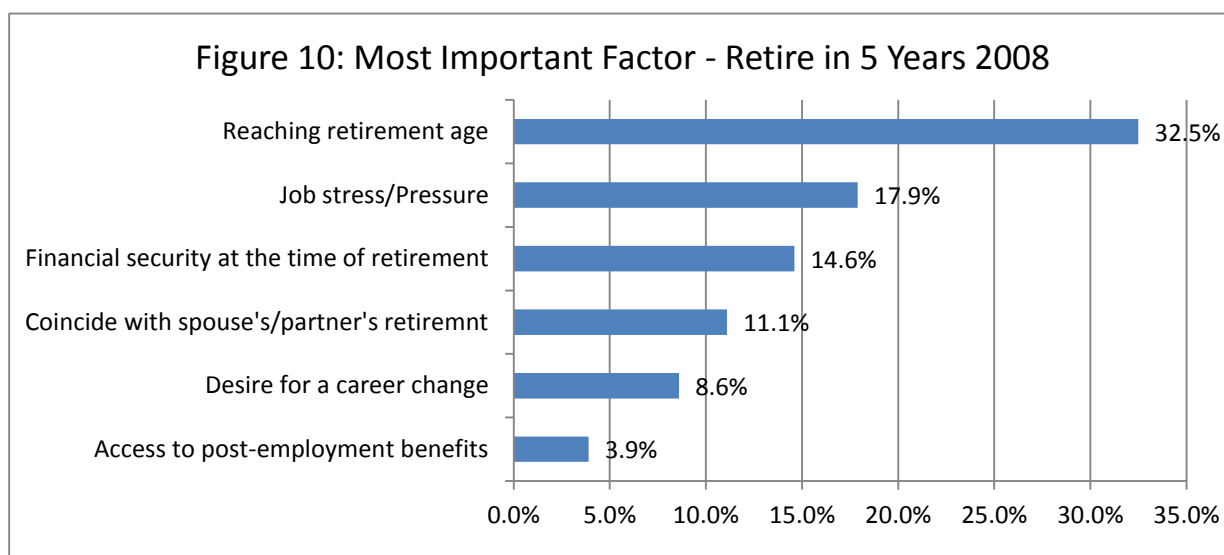
* It should be noted that some response options in the surveys changed from 2008 to 2011. For example, "Reaching Social Security & Medicare eligibility" and "Early retirement incentives" were added to the set of response options in 2011.

To further examine retirement factors, respondents who plan to retire within five years were asked to state the single most important factor driving their retirement decision. Figure 9 shows the top eight most important factors identified by respondents in 2011. "Financial security at the time of retirement" is the most significant factor at 17.2 percent, followed closely by Job Stress/Pressure at 16.2 percent and reaching Social Security & Medicare eligibility at 14.8 percent.

Figure 9: Most Important Retirement Factor-Retire in 5 Years 2011



Examining the 2011 survey, the most important factor influencing a retirement decision was reportedly very different than those identified in 2008 (Figure 10). Reaching retirement age, the most important single factor in 2008, was reportedly much less important in 2011. Financial security, the number three concern in 2008, was the most important factor in 2011. And, access to post-employment benefits, the most important factor for 3.9 percent of respondents, more than doubled in importance in 2011.



Post-Retirement Plans

Respondents planning to retire within the next five years were asked numerous questions regarding their post-retirement plans. As seen in Figure 11, 14.6 percent of those planning to retire within the next five years from their current positions have definitive plans to leave the work force completely, while 46.3 percent are unsure if they will work after retirement. These figures are consistent with the 2008 study. However, while over 34 percent plan to continue working in a part-time capacity, only 4.2 percent plan to work full-time. Desire to work full-time after retirement is down considerably from the 9 percent reported in 2008.

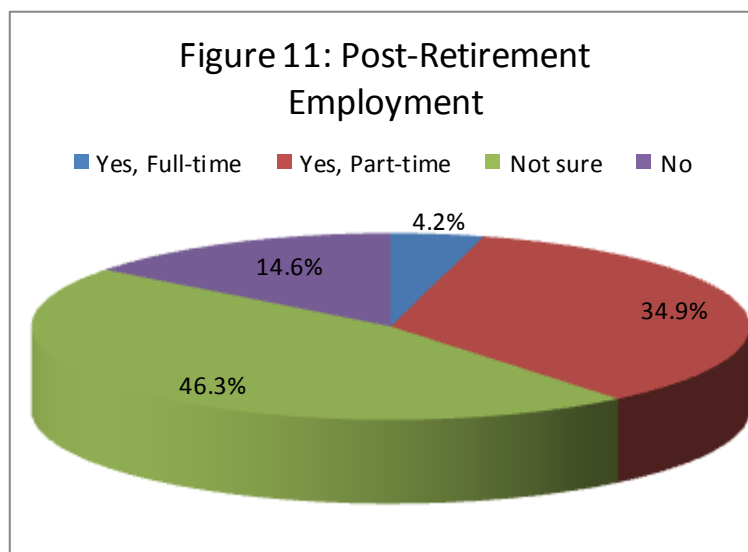
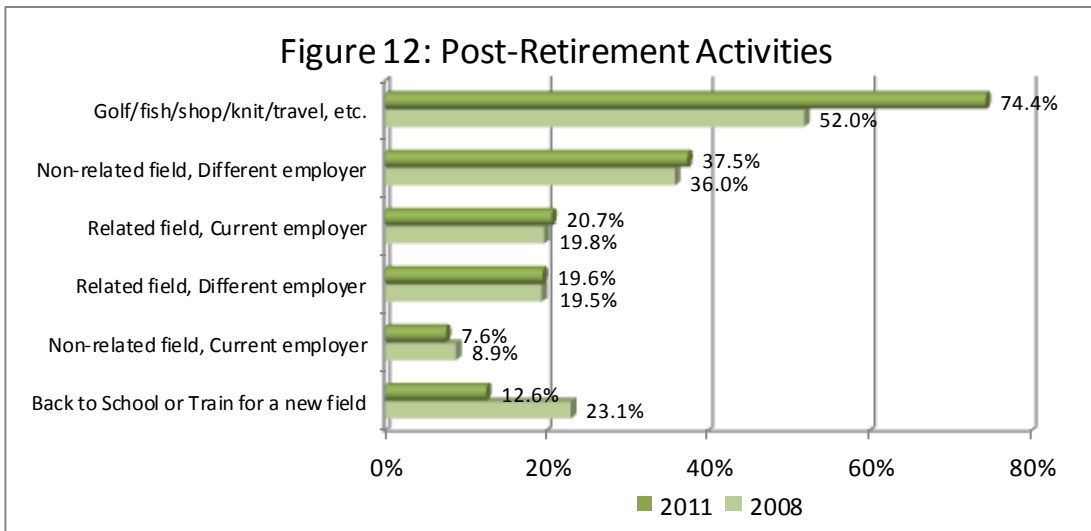


Figure 12: Post-Retirement Activities



Participants who plan to retire within the next five years were asked to indicate activities they plan to participate in after retirement, allowing for multiple selections. As seen in Figure 12, over 74

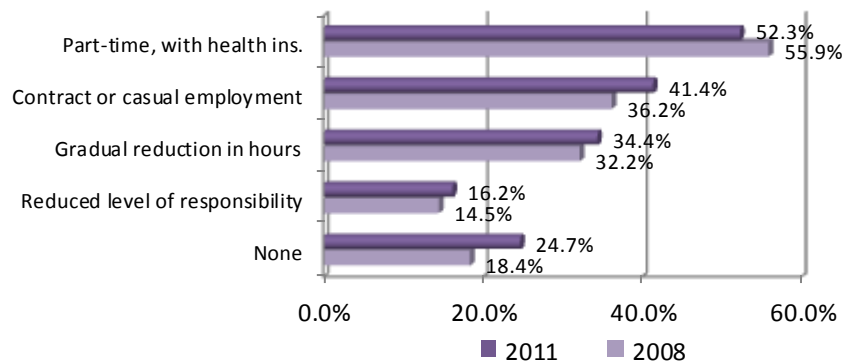
percent plan to partake in relaxing activities such as golfing, fishing, shopping, knitting, travel and similar activities. This is a significant increase from the 2008 report, wherein only 52 percent of the participants responded as such. While the increase in relaxation activities is significant, it should be noted that 39.8 percent of those identifying relaxation also indicated they plan to work in some capacity (same job/same employer; same job/different employer; etc). In 2008, only 27 percent of respondents identified relaxation as a key activity and also indicated they planned to work in some capacity.

Overall, 21 percent of respondents plan to work in a related field for their current employer, while over 19 percent plan to work in a related field for a different employer. Over 7 percent of respondents plan to work in a field not related to their current occupation but with their current employer, while over 37 percent plan to work in a field not related to their current occupation with a different employer. These numbers show little change from 2008.

A significant change identified when comparing survey results relates to training for a new field. Over 7 percent plan to go back to school while 5 percent indicated they plan to actively train for a new career field, for a combined 12.6 percent. This is a considerable drop from 2008, in which 23.1 percent of respondents indicated they would return to school or train for employment in a new field.

A question was posed to respondents planning to retire within the next five years investigating what their current employer could offer that would entice them to stay working longer into their retirement years (Figure 13). Results indicate that part-time employment with health benefits would motivate a significant number of potential retirees (52.3 percent) to continue working. In addition, contract or

Figure 13: Employer Offerings

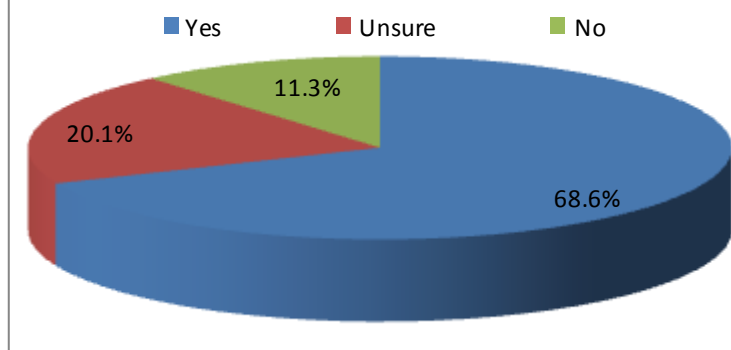


casual employment, along with a gradual reduction in hours leading up to retirement, also appear to be beneficial solutions to retaining employees planning on retiring within the next five years. Comparatively, few respondents would be enticed to continue working if they were given reduced levels of responsibility prior

to retirement. Of those planning to retire within the next five years, 24.7 percent indicated that their current employer could do nothing to retain them beyond their planned retirement, reflecting an increase from 18.4 percent in 2008.

Respondents planning to retire within the next five years were also asked questions related to where they plan to reside after retiring. Over 68 percent of respondents indicated they plan to reside within 20 miles of their current residence, while just over 20 percent are undecided (Figure 14). A little over 11 percent plan to leave the area after retirement. These numbers show little change from 2008. However, of those planning to reside within 20 miles of their current residence during retirement, a little over 67 percent plan to continue residing in the Fond du Lac area year round, down significantly from 80 percent in 2008.

Figure 14: Residence After Retirement

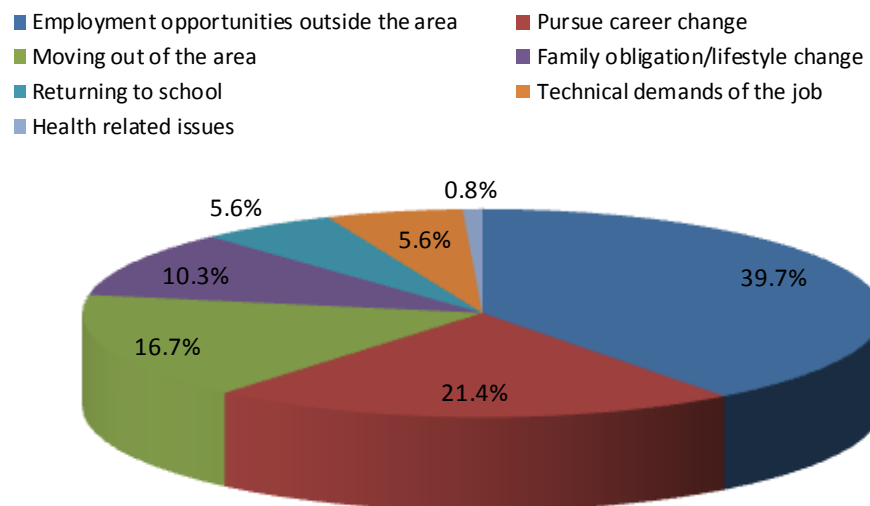


Departure Intentions

Only 6.4 percent of respondents plan to leave the area work force within 24 months for reasons other than retirement.

As evidenced in Figure 15, employees who plan to leave the area work force for reasons other than retirement are primarily driven by employment opportunities outside the area, a move outside of the area or a desire to pursue a career change.

Figure 15: Most Important Factor for Leaving the Area Workforce

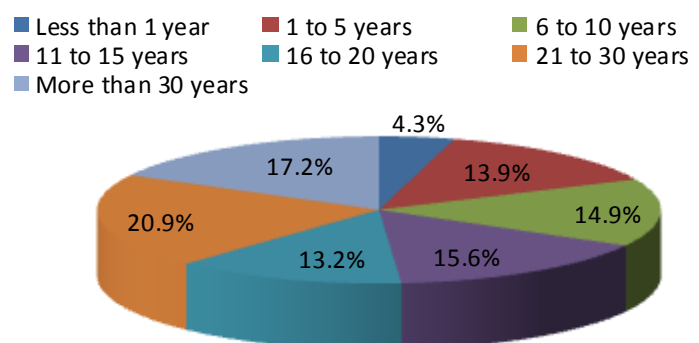


Respondent Demographics

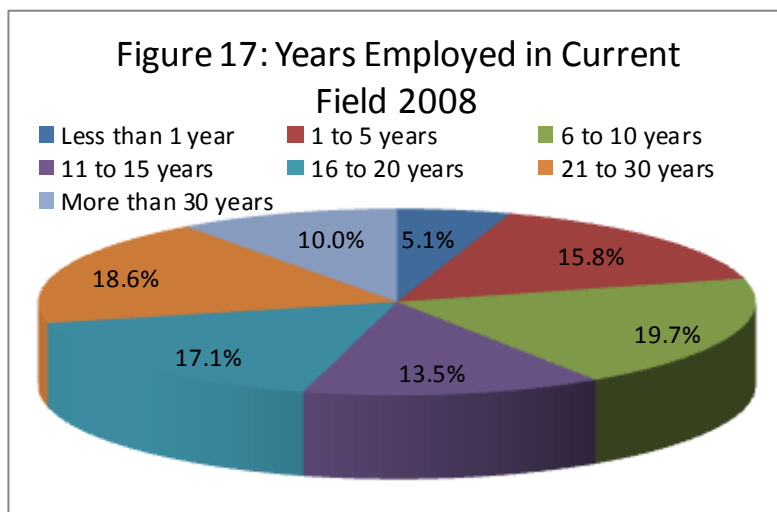
Years Employed

As seen in Figure 16, just over 18 percent of respondents have been employed in their current field for five years or less, while over 38 percent have been employed in their current field for 21 years or more. Employment of less than one year decreased slightly from 2008 (5.1 percent in 2008 to 4.3 percent in 2011), which is likely due to economic factors. The two largest indicated responses are employment for 21 to 30 years and employment for more than 30

Figure 16: Years Employed in Current Field 2011



years at 20.9 percent and 17.2 percent, respectively. As seen in Figure 17, the 2008 survey results compare quite differently to the 2011 results. The largest change from 2008 to 2011 was seen in employees who have been employed in their current field for more than 30 years, which in 2011 increased by 7.2 percentage points to 17.2 percent.



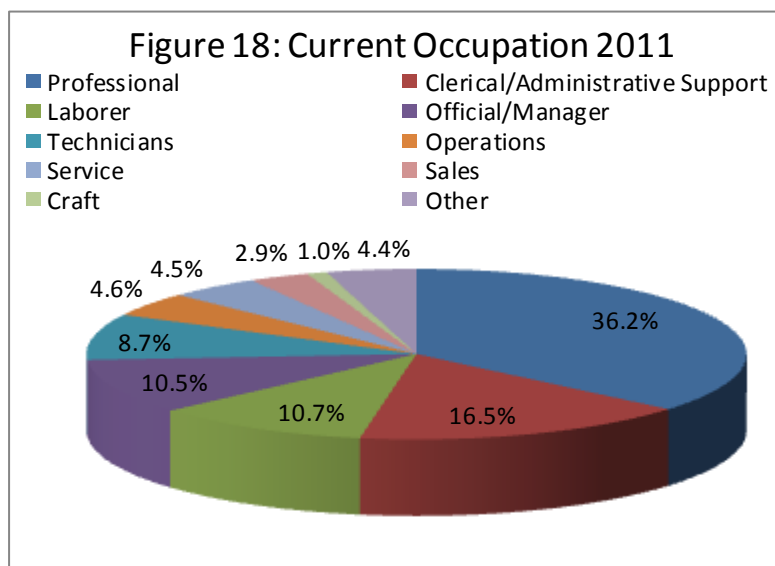
Overall, there has been a significant shift that demonstrates an older and more experienced work force. In the 2011 survey, more than half of respondents (51.3 percent) indicated that they have been employed in their current field for 16 years or more, while in 2008 the majority of employees (54.3 percent) were employed in their current field for 15 years or less. To further demonstrate a more experienced work force, respondents

indicating employment in their field for 21 years or more increased by 9.5 percentage points from the 2008 survey to the 2011 survey.

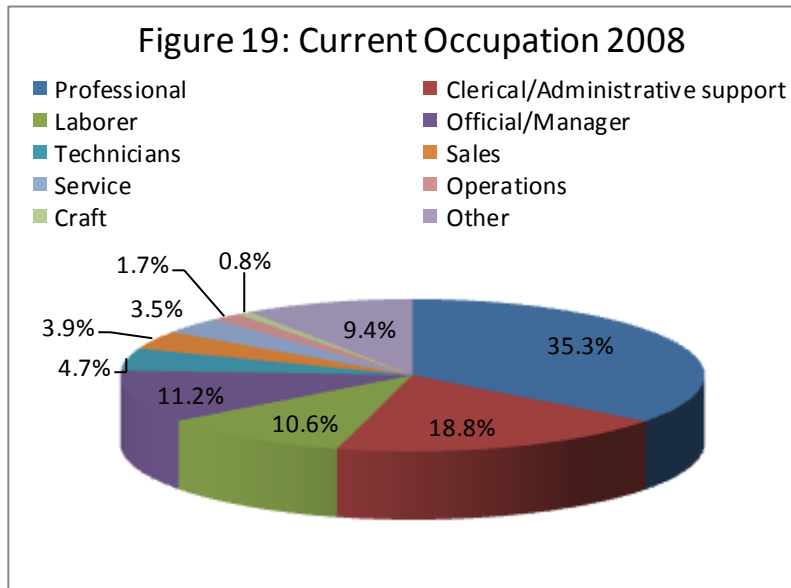
Respondents were also asked to indicate how many years they have been employed with their current employer. Over 28 percent of respondents indicated employment with their current employer for five years or less, while on the other hand more than 27 percent have been employed with their current employer for 21 years or more.

Respondent Occupation

Participants were asked to categorize their current occupation; Figure 18 depicts these results. Slightly more than 36 percent of respondents noted employment as Professional, over 16 percent as Clerical/Administrative Support, nearly 11 percent as Laborer, 10.5 percent as Official/Manager, and 8.7 percent as Technicians. A mere 4.4 percent of



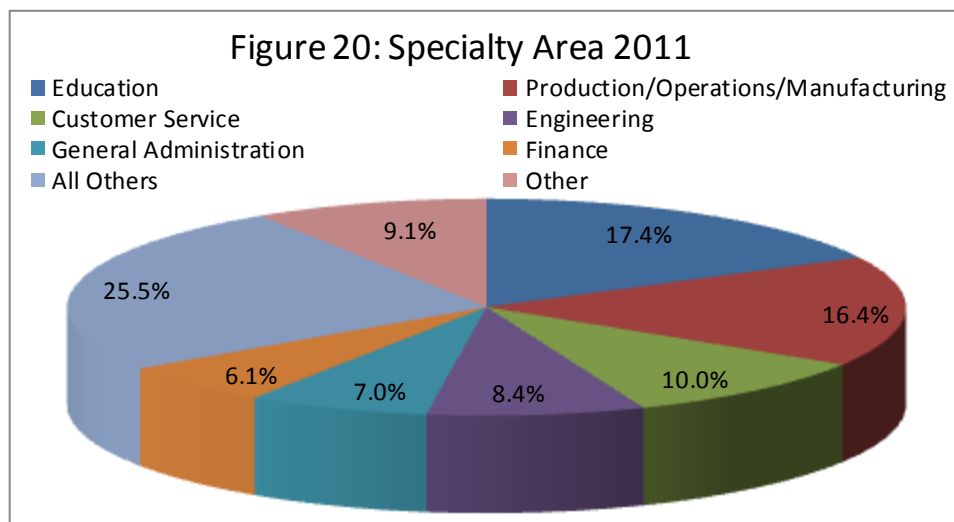
respondents cited employment in occupations other than what was listed.



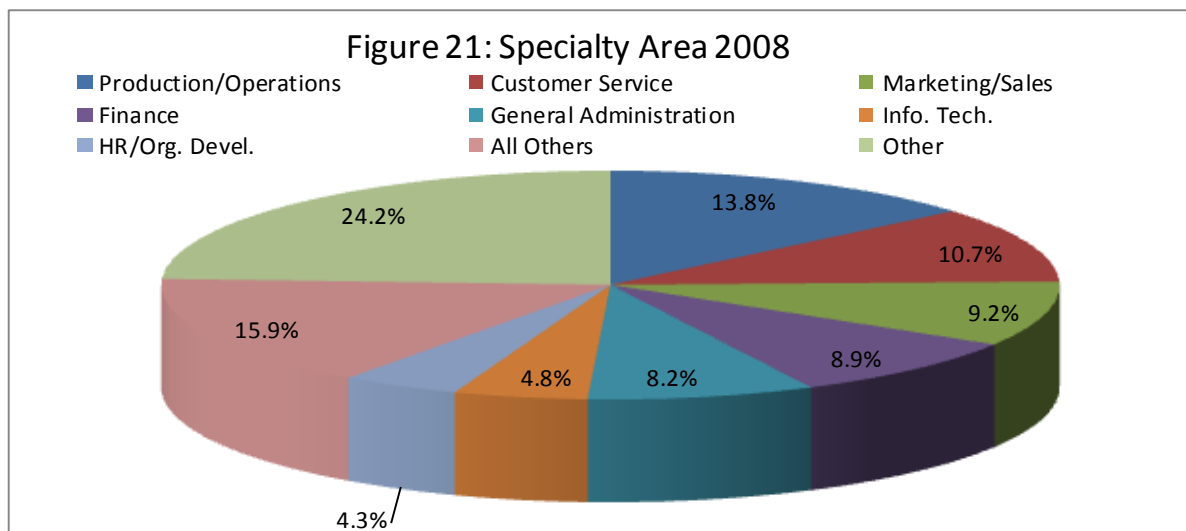
Overall, occupations identified by respondents remained relatively consistent when comparing the 2008 study to the 2011 study. Figure 19 depicts the occupations indicated by respondents in the 2008 study. Professional, Clerical/Administrative Support, Laborer, and Official/Manager occupations differ only by a few percentage points in each occupation when comparing the two studies.

Respondent Specialty Area

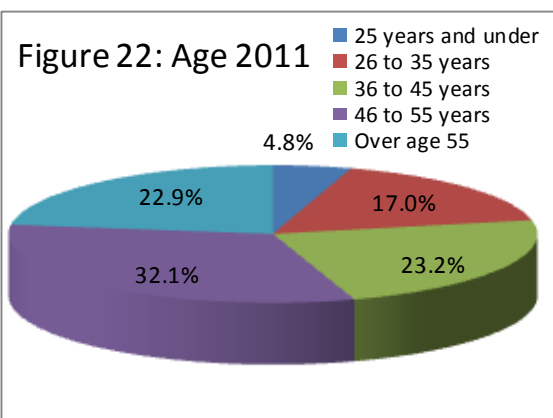
Participants were asked to further categorize their specialty area within their current general occupational area, as evidenced in Figure 20. The largest cited specialty area is Education at 17.4 percent followed by Production/Operations/Manufacturing and Customer Service at 16.4 percent and 10 percent respectively. Engineering and General Administration also have notable values at 8.4 and 7.0 percent respectively. Finance maintains a little over 6 percent of the respondent pool. The remaining specialty areas individually maintain fewer than 5 percent of total respondents and are categorized in the All Others category. Some of these specialty areas include Information Technology at 4.7 percent and Marketing/Sales at 3.5 percent.



Respondent specialty areas have changed slightly when comparing the 2008 study (Figure 21) to the 2011 study. Education as a specialty area was not a survey option in the 2008 study but now makes up 17.4 percent of the respondents. The largest increase from the 2008 study to the 2011 study occurred in the Engineering specialty area, with an overall increase of 5.4 percentage points; the Engineering specialty area was categorized in the All Others category in 2008 and made up 3 percent of respondents. The largest decrease between the two studies is in the Marketing/Sales specialty area with an overall decrease of 5.7 percentage points.

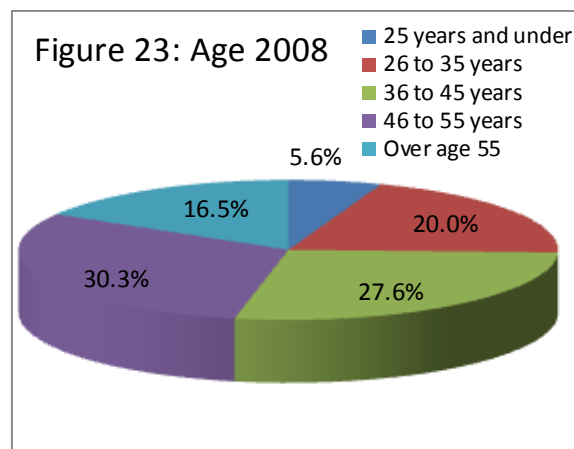


Respondent Age, Gender and Residence



In total, 55 percent of respondents identified their current age as 46 years or older (Figure 22), an 8.2 percentage point increase from 2008 (Figure 23). The largest indicated age range by respondents is 46 to 55 years at over 32 percent.

The largest jump from 2008 to 2011 is in respondents over the age of 55. In 2008, 16.5 percent of respondents indicated they are over the age of 55, while in 2011 the figure increased to 22.9 percent, an increase of 6.4 percentage points.



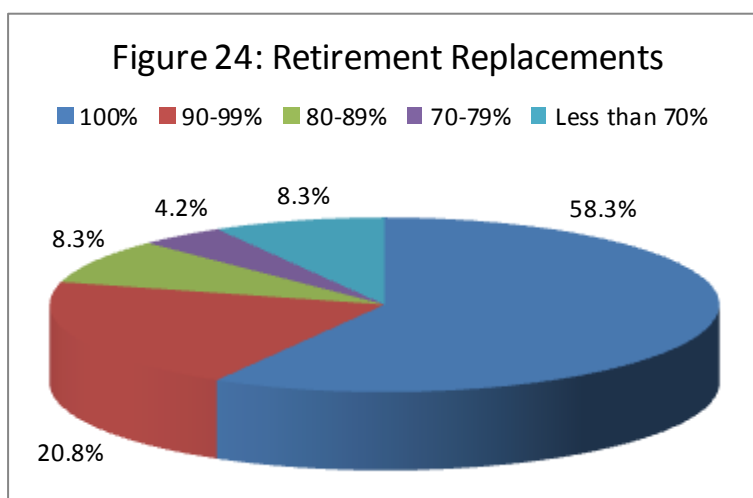
In total, 50.5 percent of respondents are female, while 49.5 percent are male. According to 2010 US Census Bureau data, females make up nearly 51 percent of Fond du Lac County's total population, closely aligning the survey respondent base with population parameters.

Respondents were asked to indicate their current place of residence, to better understand commuting patterns. In the 2011 study, over 73 percent of respondents identified Fond du Lac County as their current residence, an increase of 6 percentage points over 2008.

Employer Responses

In addition to the employee survey, a survey was distributed to 45 key area employers for the purpose of understanding their intentions for dealing with impending retirements.

As seen in Figure 24, eight out of 10 employers plan to replace at least 90 percent of those workers retiring within the next five years, while 58.3 percent will replace all retiring workers.



In addition, employers will be demanding an increased skill level from workers they plan to hire within the next five years. Most pronounced increases will occur in the Officials/Managers and Sales occupations with 78.9 percent and 69.2 percent of employers respectively specifying a moderate to significant increase in skill level. As previously noted, Laborer and Clerical/Administrative Support positions were identified with the highest retirement intentions spanning the next five years; over 25 percent and 20 percent respectively. Over 30 percent of employers indicated a moderate increase in skill level in Laborer positions, while over 38 percent of employers indicated no change. Over 52 percent of employers cited a need for a significant or moderate increase in skill level in Clerical/Administrative support positions. Least impacted are Service occupations with 42.9 percent of participating employers indicating no skill level increases are needed.

Finally, employers were asked what tools they found useful in recruiting all positions including management and professional. When recruiting for management or professional positions, over 85 percent use Internet job posting sites, often using multiple and very targeted sites.

Nonetheless, employers found employee referrals, newspaper advertisements and professional associations to be the most effective recruitment vehicle. The least effective recruitment vehicles utilized by employers in recruiting for management or professional positions are job fairs, job services, trade publications and radio advertisements, 13.6 percent of employers cited each of these as not effective. College placement offices are not being used by 59 percent of employers.

When recruiting non-management or non-professional employees, over three-quarters of surveyed employers found the newspaper to be a moderately effective or very effective tool, while 85 percent stated the same for employee referrals. Temp agencies were also noted as an effective recruitment vehicle for non-management or non-professional employees by 50 percent of employers. Internet job posting sites are used by over 81 percent of employers, with Careerbuilder.com proving again to be the Internet-based recruitment vehicle of choice. Careerbuilder.com was cited by 45.4 percent of employers as a moderately to very effective recruitment vehicle. Monster.com or NationsJob.com were not used by 73 percent of employers. Additionally, 81.8 percent of employers do not use LinkedIn for the recruitment of non-management or non-professional employees. College placement offices are not being used by 68.2 percent of employers.

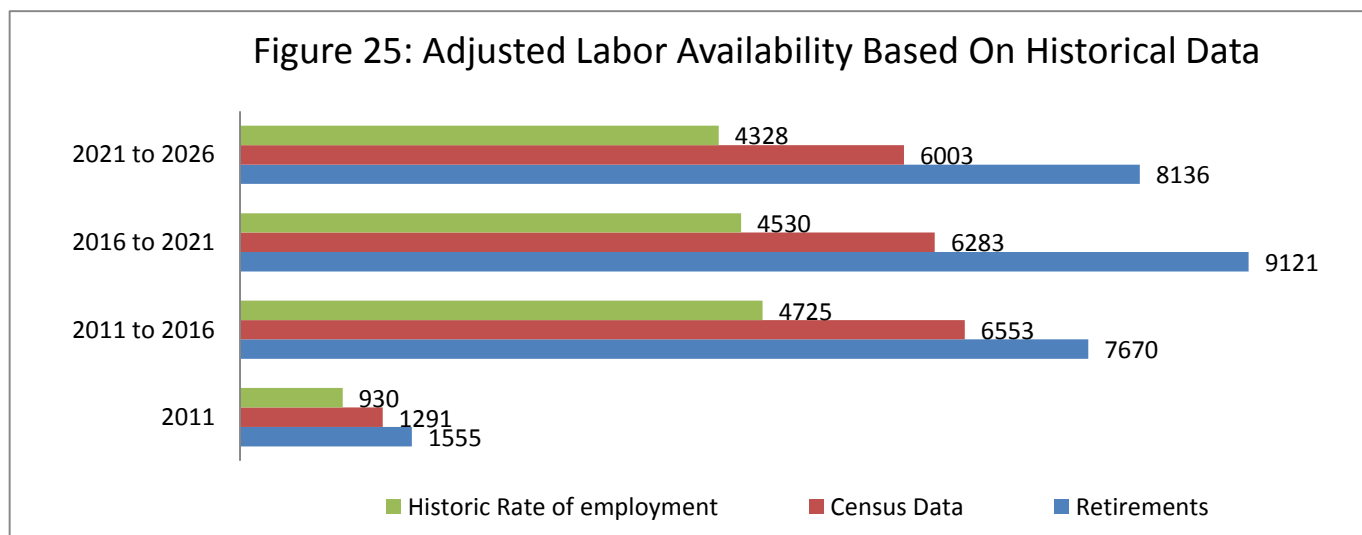
Conclusions

When the results of the Retirement and Departure Intentions Study were presented in 2008 it was clear that within a very short period of time Fond du Lac County would be facing a significant labor shortage. This was primarily due to the pending retirements of baby boomers and the lack of an adequate supply of replacement workers, due to lower birth rates over the last three decades.

Since 2008, there have been a number of economic setbacks that have caused us to wonder if the anticipated labor supply issues remained and, if so, have any of the significant indicators changed. What we found clearly demonstrates that not only is the future supply of labor, specifically skilled labor, a major concern, but it is no longer an issue that we will be faced with in the future. Instead, it is here today and will likely remain a critical issue for the foreseeable future.

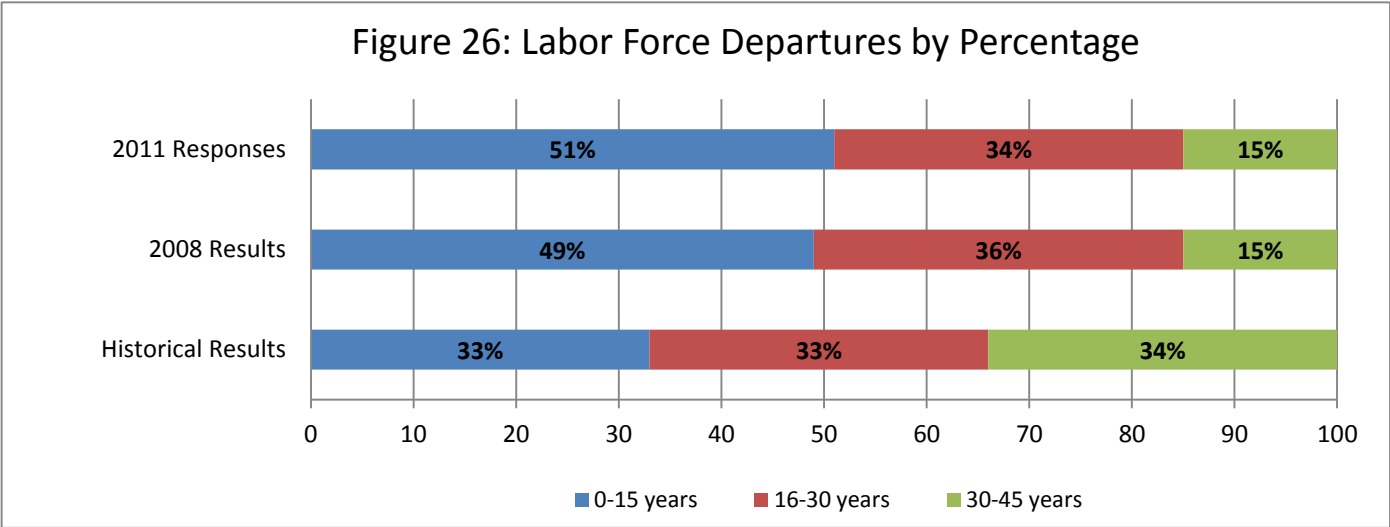
Despite the recession of 2008, the loss of values in the housing and stock markets, rising debt associated with federal economic stimulus programs, high unemployment rates and two major wars, baby boomers are very committed to their intentions to retire when they feel financially stable enough to do so. Today, baby boomers are far less concerned about job stress, family obligations and coinciding retirement plans with their spouse as major drivers of retirement than they were in 2008. Boomers are planning to retire as soon as they are financially able, with the sole exception being their desire to have access to benefits post retirement.

In addition, boomers planning to retire within five years are much less interested in post-retirement employment than they were in 2008. Those indicating they would seek full-time work post-retirement dropped from 9 percent in 2008 to 4.2 percent in 2011. Nearly 15 percent of these respondents said quite clearly they had no intention of working at all following retirement, a significant increase over the 9.1 percent in 2008. Given that only one in five employees intending to retire within the next five years would consider working post-retirement for their current employer, a figure virtually unchanged from 2008, it appears employers have had little success in enticing their current work force to remain in some capacity beyond retirement.



Therefore, access to all possible replacement workers becomes an immediate concern. The 2010 US Census data shows that as workers leave the Fond du Lac County labor pool over the next 15 years, there will be a gap of almost 12,000 individuals available to replace said departures. If we factor in the departure of area high school graduates for post-secondary education, military service or for any other reason and our labor market penetration rate remains somewhat consistent at 72 percent, the gap in the number of retirees versus the number of available replacement workers grows to over 19,000 by 2026.

With a 2011 estimated labor pool of just under 52,000, our forecast for retirements of employees in Fond du Lac County will be 26,500 by 2026, with just over 7,000 available as replacements. This is a shortage of 19,500 workers. Factoring in the employers statements that they will replace 91 percent of all retirees and counting on at least half the high school graduates that left the area returning within five years for employment opportunities, the gap narrows to nearly 12,000 unfilled positions by 2026. All projections assume available workers' skill sets will match with those demanded by employers, which may not be the case.



If information is power, then Fond Du Lac County is well ahead of the competition with current and reliable data mapping out the future labor market for the area. Community leaders will need to create new and innovative methods for recruiting and retaining workers at all skill levels. The use of technology will take the place of the more standard and antiquated approaches for recruitment. Organizations need to be creative in their approaches to compensation and benefits, as well as how they define work space and work environments. Business and education will need to form deep and mutually beneficial partnerships, eliminating gaps in communication and understanding of each other's work environments.

In 2011 there will be an estimated 1,555 retirements throughout Fond du Lac County with 782 individuals available to enter the labor force, resulting in a gap of 773. The labor supply crisis is here and now and solutions and a commitment to act are needed today.

Recommendations

Human nature might suggest we view the message of an impending labor crisis with a hint of skepticism or a bit of trepidation. Unfortunately, at this time we do not have that luxury. The data contained in the 2011 Retirement and Departure Intentions Study has provided Fond du Lac County with a remarkable opportunity to foresee future labor needs and provide timely insight into the actions that must be taken in order to mitigate the impact of the inevitable labor crisis.

All Hands on Deck – Business and Education professionals must establish open and lasting communication channels allowing for strategic and constant collaboration.

First and foremost, the impending labor crisis is a critical issue that requires the strategic and immediate attention of leaders in both business and education. No longer can collaborations be superficial in nature, rather they need to be deep and strategic relationships focused on addressing universal issues such as recruitment, retention, remedial skill development, career pathways and career interest, to name just a few. These efforts will require a significant resource commitment from the business community in order to support education at all levels. It is imperative that it is known and understood that this is not just a K-12 or a higher education issue. Senior leaders from every organization need to make strengthening collaboration between business and education a strategic priority. This cannot be relegated to the confines of human resource departments or school administration offices – this calls for all hands on deck.

Look Forward – Area businesses must work with local educational systems to identify the labor needs of the community and focus on preparing the work force of the future.

In addition to stronger business involvement, the K-12 educational systems must play a critical role in addressing the future labor needs of the community. Without a doubt, the laborious pace of previous change in K-12 education is not acceptable. K-12 professionals, from teachers to administrators, must focus on preparing the work force of the future and recognize their obligation to learn about and emphasize skills that will be needed and required in the future. It is not just about having students succeed on standardized tests, it is about the application of skills and knowledge for the jobs that will sustain our local employers into the future. The educational mission statements should reflect this paradigm shift and curricula need to be connected to work force readiness, which includes the competencies and skills needed by local businesses.

Promote All Opportunities – Area students, beginning in middle school, must be made aware of every career opportunity that exists.

Previously, students in the K-12 system have been primarily encouraged, and almost expected, to aim for 4-year degrees, despite the fact that in Wisconsin only 26 percent of jobs require a bachelor degree or higher (TWA, 2009). Promoting alternative options to a 4-year college degree post-high school is essential and should include the active promotion of immediate entry into the local work force, technical college education or other certified training.

According to the Wisconsin Department of Public Instruction's Wisconsin Information Network for Successful Schools (DPI, 2011), Fond du Lac High school's 2009-10 graduation rate was 90.1 percent. Of these graduates, 50.8 percent planned to attend a four-year college and 18.3 percent planned to attend a two-year college. Using (NCHEMS, 2011) Wisconsin 4-year college completion rate of 58 percent and 2-year completion rate of 34.7 percent (percent that complete within 150 percent of allotted time), it is projected that over 73 percent of entering Fond du Lac High School freshman will not graduate with a 4-year degree directly after high school, and nearly 68 percent will secure no post-secondary education directly after high school. This is further evidenced by 51.9 percent of the 2011-12 Junior class at Fond du Lac High School having taken the ACT exam and 48.1 percent of the class giving strong indications that they do not intend to pursue a 4-year education immediately following high school. This is consistent among the 11 area public high schools, where an average of 58.6 percent of the entire junior class (2011-12) population took the exam and scored an average of 21.9 (*The Fond du Lac Reporter*, August 18, 2011). To put this into perspective, this average score indicates few 4-year college-bound graduates could enter UW Madison, where the mean ACT score for entrance is 28 (University of Wisconsin Madison Admissions Office, October 20, 2011), and many would have difficulty succeeding at other 4-year colleges.

Prepare for Real Opportunities – Students must be encouraged to explore career options and begin specific training in high school.

High schools should be promoting transcribed credit courses in technical areas as much as 4-year college preparatory (AP) courses. Consider that in 2010-11 a total of 157 Fond du Lac County high school graduates directly enrolled at Moraine Park, yet only 44 percent brought in some type of transcribed credit to help them expedite degree completion (MPTC, 2011). Often, these career options are better suited to students' interests and skills than a 4-year college education and establish a pathway to success for graduates. In addition, many middle-skill careers provide real and immediate value to the local business community and our economy.

Consider that roughly 90 million Americans (half of the US work force) lack the basic skills required to function in a global economy or earn family sustaining wages (ACT, 2011). A serious disconnect between current work force skill levels and those elevated skill sets required for the new economy will necessitate post-secondary educational institutions emphasizing work force retraining in an effort to transition the low-skilled work force to productive, skilled and employable individuals. In addition to enhancing workers technical skill sets, they will need to be taught the soft-skills necessary for functioning in any team based organization. Emphasizing core abilities such as punctuality, teamwork, communication, life skills and critical thinking should be the norm.

Redefine Success – Rewarding and thriving careers are in abundance throughout Wisconsin, many of which favor skilled employees over baccalaureate degrees.

Essentially, we have been telling our children that the road to success is through a 4-year college degree, when in fact over 73 percent of local high school graduates will not achieve that goal directly out of high school. Those who attempt a 4-year college education and are not successful are often left with unnecessary debt, a feeling of failure and uncertainty about career alternatives; all of which could have been avoided if we had done a better job in matching student interests and academic abilities with successful and rewarding career options. This would require equal promotion of career options that do not require a 4-year college degree.

In Wisconsin, nearly 54 percent of jobs are in the middle-skilled occupations, or those occupations requiring an education beyond high school but below a baccalaureate degree (TWA, 2009). Schools need to use comprehensive career counseling and the career pathways model to educate and inform students of the myriad of education and employment opportunities (many just as, or more lucrative than what they can obtain with a 4-year degree) beginning in middle school, to ensure they follow the correct path in high school. Waiting until junior or senior year of high school to direct students to middle-skill opportunities is simply too late, creating a serious disadvantage for students who are generally academically ill prepared to succeed.

Understand the Local Work Force – Employee recruitment and retention will continue to be of high importance. To ensure that talent remains in Fond du Lac County employers must be flexible and future focused.

Clearly results from the 2008 study, indicating a rapidly exiting labor pool, are still valid. As labor availability tightens, employers will need to place an increased emphasis on employee recruitment and retention. Competitive wage pressures naturally follow elevated levels of recruitment and

retention efforts, which coupled with reduced employee loyalty and a highly mobile work force, will likely force companies to rethink all aspects of their compensation offerings and not just their standard wage and benefit packages. The younger generations have a different set of values and expectations when it comes to their work environment. Employers will need to adapt to these new standards as opposed to insisting on maintaining the status quo. The simple truth is that with the labor situation as it is, individuals with the required skills will be able to market themselves to the highest bidder. Additionally, over the next few years it is anticipated that skilled workers may be choosing their place of work based on characteristics that do not exist today. Employers need to be open minded, flexible and future focused.

Leaders must realize the current skilled labor shortage is not a localized or short-term issue. The sixth-annual Talent Shortage Survey conducted by Manpower (Manpower, 2011), found that 52 percent of US employers were experiencing difficulty filling mission-critical positions within their organizations, up from 14 percent in 2010. On a more localized front, Wisconsin has already been affected with the shortage of skills needed for existing employment opportunities. In September of 2011 Wisconsin's Department of Workforce Development employment centers listed 35,000 job openings, yet the state unemployment rate remained at 7.8 percent (DWD, 2011). Clearly, addressing the skilled labor shortage will require a new and innovative thought process with global undertones.

Start a Conversation – Employers must understand their work force and actively participate in succession planning.

Employers need to have honest dialogue with employees about their retirement intentions and develop succession planning initiatives and knowledge transfer programs across the organization to assist in a smooth labor transition at all levels. Additionally, dialogue with employees needs to focus on the factors that may keep retirement-age employees interested and engaged in the work force until knowledge transfer and succession planning can occur. A few more years of work and mentoring from a veteran, skilled employee will help to ease the knowledge transfer and lessen the impact of a labor shortage.

Focus on the Future – Progressive, aggressive and proactive action is needed by both business and education to ensure that the needs of the future work force are being met.

Clearly, we cannot let politics get in the way of addressing this urgent need. Secondary and post-secondary educational institutions will need to invest significantly in infrastructure, curriculum, staff development and technology if the needs of our local economy are to be met. Successful investments

necessitate political advocacy and support from business and industry at referendum time. Local school boards must re-focus much of their attention on the needs of local industry when adopting curriculum changes. Elective course offerings should take into account the various skills needed by local business. Curricula should incorporate outside speakers, business tours and hands on experiences or job shadowing when appropriate.

Recruit and Retain Talent – Bringing local business and future workers together is critical.

Given that there are simply not enough younger workers available to replace the retiring workers, Fond du Lac needs to attack the recruitment of employees on multiple levels. First and foremost, it must develop new and innovative ideas that will entice its graduating high school students to remain in the community for education and employment opportunities, or return post education or military service. Additionally, the national talent shortage will make recruiting from surrounding states and communities extremely difficult due to competition, necessitating strategies to recruit non-resident and foreign-born workers. Use of boutique web-based recruitment sites is an example of how to target specific recruitment initiatives. Positively differentiating Fond du Lac County in the minds of potential employees will greatly assist in the recruitment effort. To ensure successful retention efforts businesses and the community must step up to the plate and foster an environment that is welcoming to people from different cultures, races, ethnicities, faiths and lifestyles. But, the local community must recognize that being welcoming and accepting is not enough to retain workers once they are here. It is essential to provide real and lasting personal, social and professional opportunity to everyone.

Join Forces, Act Now

Clearly this is not an issue that can be turned over to government, education or business alone, it will require the full attention and cooperation of every leader, worker and citizen in the community. What we have found in the 2011 study is that, despite the poor economy, retirement intentions have remained virtually unchanged, other than acceleration in their desire. Since 2008 a number of initiatives have begun to address the shortage and have demonstrated significant progress surrounding issues such as inclusion, manufacturing awareness and business and education partnerships, but there is still a long road ahead. Understandably, due to a poor economy, far too few companies and interest groups have had the resources to commit to these initiatives. Success will require more organizations to come to the table ready to work on and commit to implementing solutions that will set Fond du Lac apart from communities competing for a shrinking labor pool.

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