Ten Reasons Your Job Creation Efforts Are Going to Fail

IEDC - Tulsa

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The Community Economics Lab

The CELab is a 501(c) 3 non-profit think tank, focused on new ways to do economic and workforce development in a labor and capital constrained economy.
Economic Growth

\[ E > P^P \]
10 Reasons You Will Fail
Failure to Plan

1

Failure to Plan
2 Higher Attrition Rates

REPLACEMENT
How many economic base jobs are you losing?

LIFE CYCLE
Companies don’t last as long; globalization and new business models.

ARTIFICIAL INTELLIGENCE
Computers that talk, think and create.

AUTOMATION
Machines doing the work of humans.
3

Zero Sum Labor
Zero Sum Labor
4 The Phantom Workforce

Skills Mismatch

Cliff Effects
5 The Reversal of Chi
7 Speed and Inertia
Rising Cost and Falling ROI
8 Increasing Accountability and Transparency
9

The Shift from W2 To Solowork

- **2010**
  - Freelance: 13.4%
  - W-2: 86.6%

- **2015**
  - Freelance: 33%
  - W-2: 67.2%

- **2020**
  - Freelance: 50%
  - W-2: 50%
Leadership Crisis?
Top Ten Reasons Your Job Creation Efforts Will Fail...

1. Flying Blind, Without a Real Plan.
2. Increasing Attrition.
4. The Phantom Workforce.
5. The Reversal of Chi.
6. Speed and Inertia.
7. Rising Costs with Falling ROI.
8. Increasing Accountability and Transparency.
9. The Shift from W2 to Solowork.
10. Leadership Crisis.
Shark Tank Questions for Job Creation

1. How many new economic base jobs do you need to create each year?

2. How many in each major program theater?

3. How many jobs/transactions must be procured?

4. Which factor of production gaps must be cured by when?

5. Who is missioned, staffed and funded to make each part happen?

6. How are you measuring progress and return on investment
Coherence:
Agree on the theoretical construct, nomenclature and process

Economic Predicament:
Agree on the number of new, economic-base jobs that must be created

Economic Sector Selection:
Agree on a ranked list of the sectors with the highest potential for generating the economic-base jobs

Geographic Distribution & Resource Gaps:
Agree on areas of the state in which the new, economic-base jobs are most likely to be created

Policy and Program Implications:
Agree on job creation program and policy initiatives needed to deliver the job numbers
Economic Base Jobs Potential - NM 2014

- Employer: 27%
- Federal Government: 20%
- E & E: 11%
- Visitor: 11%
- Retirement: 11%
- Solo: 6%
- Film: 6%
- Startup: 5%
- Ag: 3%

Total: 166,661
# Economic Base Program Theaters

<table>
<thead>
<tr>
<th>Theater</th>
<th>Job Estimates</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer</td>
<td>43,944</td>
<td>Major employer Recruiting, retention &amp; expansion</td>
</tr>
<tr>
<td>Federal</td>
<td>38,035</td>
<td>Federal agencies, healthcare, higher education</td>
</tr>
<tr>
<td>Visitor Driven</td>
<td>38,035</td>
<td>Tourism, hospitality, transit services</td>
</tr>
<tr>
<td>Retirement</td>
<td>21,000</td>
<td>Affluent retirement strategies</td>
</tr>
<tr>
<td>Extractives &amp; Energy</td>
<td>11,689</td>
<td>Mining, oil &amp; gas, power plants, wind, solar, bio</td>
</tr>
<tr>
<td>Solos</td>
<td>11,920</td>
<td>Freelancers, 1099 contractors, independents</td>
</tr>
<tr>
<td>Film &amp; Digital Media</td>
<td>11,281</td>
<td>Film, TV, games</td>
</tr>
<tr>
<td>Start Up</td>
<td>8,771</td>
<td>Innovation to Enterprise, start ups, tech transfer</td>
</tr>
<tr>
<td>Agriculture</td>
<td>4,739</td>
<td>New crop development, food processing, forestry</td>
</tr>
<tr>
<td>Export Substitution</td>
<td>???</td>
<td>Produce locally instead of importing</td>
</tr>
</tbody>
</table>

**Total Jobs Estimated**: 151,461  
**Total Jobs Needed**: 139,690  
**Difference**: +11,771
Statewide Assessment – NM 2014

<table>
<thead>
<tr>
<th>Factor of Production Gaps:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Qualified Labor: 102,296 Jobs</td>
</tr>
<tr>
<td>2. Bandwidth: 81,227 Jobs</td>
</tr>
<tr>
<td>3. Tax and Regulatory: 76,891 Jobs</td>
</tr>
</tbody>
</table>

Unemployment: 17,075
Growth: 42,157
Attrition: 80,457

Total New E-Base Jobs over 10 Years: 139,690
Estimated Potential: 166,661
Surplus (Shortage): 26,971

<table>
<thead>
<tr>
<th>Theater</th>
<th>Jobs</th>
<th>% Program Reliant</th>
<th>Organic</th>
<th>Program Reliant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer</td>
<td>49,744</td>
<td>85%</td>
<td>7,462</td>
<td>42,282</td>
</tr>
<tr>
<td>Fed Gov</td>
<td>38,035</td>
<td>75%</td>
<td>9,509</td>
<td>28,526</td>
</tr>
<tr>
<td>E&amp;E</td>
<td>21,089</td>
<td>85%</td>
<td>3,163</td>
<td>17,926</td>
</tr>
<tr>
<td>Visitor</td>
<td>21,082</td>
<td>50%</td>
<td>10,541</td>
<td>10,541</td>
</tr>
<tr>
<td>Solo</td>
<td>11,920</td>
<td>25%</td>
<td>8,940</td>
<td>2,980</td>
</tr>
<tr>
<td>Film/DM</td>
<td>11,281</td>
<td>100%</td>
<td>-</td>
<td>11,281</td>
</tr>
<tr>
<td>Startup</td>
<td>8,771</td>
<td>70%</td>
<td>2,631</td>
<td>6,140</td>
</tr>
<tr>
<td>Ag</td>
<td>4,739</td>
<td>50%</td>
<td>2,370</td>
<td>2,370</td>
</tr>
<tr>
<td>Total</td>
<td>166,661</td>
<td></td>
<td>44,616</td>
<td>122,046</td>
</tr>
</tbody>
</table>

Current Capacity: 55,910
Capacity Needed: 66,136

Jobs Needed: 139,690
Jobs Estimated Possible: 166,661
Surplus (Shortage): 26,971
Factors of Production – NM 2014

Jobs At Risk

- Capital
- Water & Sewer
- Bandwidth
- Transmission
- Roads & Drainage
- Power & Gas
- Public Safety
- Transportation
- Qualified Workforce
- Tax & Regulatory
- Land Inventory
- Building Inventory
- Mktg. & Lead Generation
- Sales & Deal Structuring
- Leadership
- Housing
How Many Jobs?

\[ E > P^p \]

1. Coherence
   What are we trying to do with this exercise and why?
   Agree on approach, nomenclature and process?

2. Predicament
   How many new economic base jobs are needed for prosperity?
   What are the consequences of inaction?

3. Economic Theaters
   Which program theaters?
   How many transactions in each?

4. Geographic Location and Capacity Gaps
   Where will the jobs likely be created?
   What capacity gaps must be addressed?

5. Program Development
   What program approaches are indicated?
   Who is accountable for them?
1. Coherence
   What are we trying to do with this exercise and why?
   Agree on approach, nomenclature and process?

2. Predicament
   How many new qualified workers are needed for staffing the future economy?

3. Sectors
   How many qualified workers required in each sector?
   Which SOC codes?

4. Supply Dynamics
   How do qualified workers enter and leave the region?
   What institutions are responsible for production?

5. Program Development
   What program approaches are indicated?
   Who is accountable for them?

E > P

P - Side
More Rigorous Metrics and Accountability
Unification

**CqD**
1. Community Quality
2. Community Happiness function
   - Housing
   - Health
   - Higher Ed
   - Hive
3. New CIP Priorities Leadership
4. Community Architecture

**WfD**
1. Talent Attraction
2. Community HR function
   - P-20
   - Mid career
   - Recruitment
   - Retention
3. New programs
   - Gap forecasting
   - Hiring platform
   - See the change
4. Workforce Architecture

**EcD**
1. Job Creation
2. Community EDC function
   - Start up
   - Expand
   - Recruit
   - Retention
3. New programs
   - Health care
   - Independents
   - Retirement
4. Economic Architecture
Labor Starvation Scenario

- Dependents
  - old
  - young
- Qualified Workforce
- Unqualified Workforce
- Retirement
- Failing Schools

Dependents

Qualified Workforce

Unqualified Workforce
Shark Tank Questions for Workforce Development

1. How many new qualified workers do you need to create each year?

2. How many in each major occupation or SOC?

3. How many new qualified workers will have to be procured?

4. Which factor of production gaps must be cured by when?

5. Who is missioned, staffed and funded to make each part happen?

6. How are you measuring progress and return on investment?
Solowork Center
A community supported program platform to create, advance and retain new economic base jobs.

Solo W2 Workers
Recruit, Screen
Train, Place
Support

W2 Solo workers employed by an economic base employer and allowed to work from home or the Solowork Center.

Solopreneurs who own their business have no centralized workplace or onsite employees.

Solopreneurs
Recruit, Plan
Incubate or Convert
Support

New entrants to the solowork workforce, i.e. students, hard to employ, & chronically poor candidates.

New Solo Workers
Recruit, Screen
Train, Place
Support

CELab
Community Economic Laboratories

DigitalWorks
Connecting People & Jobs
See The Change USA

Physics for Middle Schools of America!

SEETHECHANGEUSA.org
One Student Today, One Nation Tomorrow!
Freelance Career Trends

Online work started in tech, but is rapidly branching out

oDesk Gross Services
by category

Source: oDesk database
Companies Hiring

- Xerox
- Convergys
- Sutherland Global Services
- TeleTech
- ADP
- UHC UnitedHealthcare
- IBM
- Department of Transportation
- Salesforce
- Apple
Who Are Solo Economic Base Workers?

- 1099 Contractors
- Solitary LLCs
- Corporate Employees
- Tele-Services
- Mobile Workerst
A Unique Job Creation Platform for the Technology Sector
Just One Example – Iesha’s Story

- Incarcerated for nearly 1 year
- Unemployed with young son at home
- Referred to Digital Works through local welfare office
- Few skills & additional barriers based on her background

- Secured work with eDegree
- Started at $9/hour
- Earning $14/hour after 6 months
- Earning $16.25/hour after 1 year with realistic prospect of management roles

https://vimeo.com/136922121