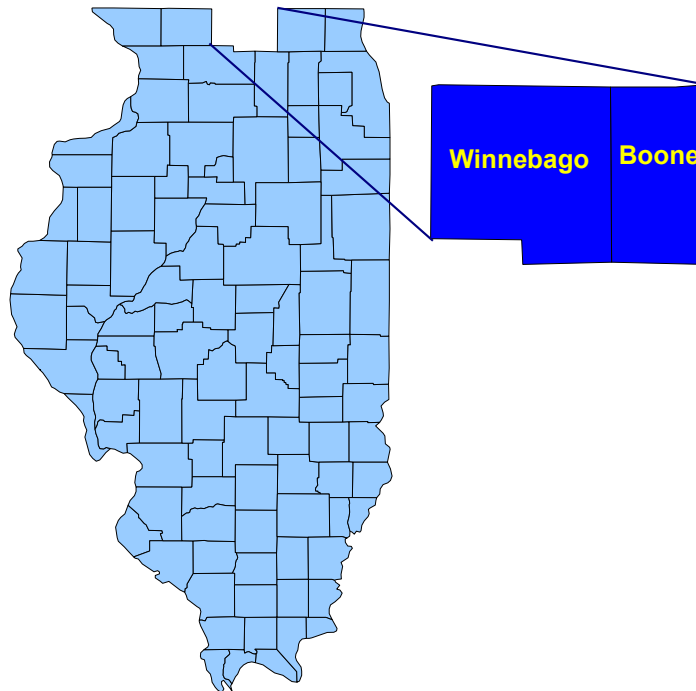


# **21<sup>ST</sup> CENTURY WORKFORCE: BOONE AND WINNEBAGO COUNTIES IN ILLINOIS**



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## ***Preface and Acknowledgements***

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## ***Executive Summary***

### **INTRODUCTION**

This is a short summary of 21<sup>st</sup> Century Workforce: Boone & Winnebago Counties, a Community Audit that examines the past, present, and future of economic and workforce development in this two-county area (sometimes abbreviated as the “B&W area”). In considerable detail, it also examines the recent performance of the area’s public high schools.

The original report summarized here is ??? pages in length. It contains numerous charts and graphs, along with explanatory text. This summary therefore covers only the study’s main findings and conclusions. It focuses first on several of the basic findings of the research underlying this report. It then provides a brief “SWOT” analysis of the area’s strengths and weaknesses in the areas of economic, workforce, and educational development. The summary concludes with a list of ten key challenges calling for action if Boone and Winnebago counties are to exploit the opportunities and deflect the threats that confront the area in the early 21<sup>st</sup> century.

### **SOME BASIC FINDINGS OF THE RESEARCH**

#### **THE B&W ECONOMY IS MATURE**

Put bluntly, the B&W area’s economy remains grounded mainly in mature, 20<sup>th</sup> century industries, particularly in manufacturing.

#### **THE CHALLENGE OF ECONOMIC DEVELOPMENT IN THE EARLY 21<sup>ST</sup> CENTURY**

The major economic development challenge for this decade and beyond will be to accelerate the transition, both within and outside of the manufacturing sector, to industries that add greater value per unit of labor employed.

#### **THE FUTURE OF MANUFACTURING AND THE ECONOMY GENERALLY IN THE 21<sup>ST</sup> CENTURY**

Those who predict that manufacturing is finished in the B&W area are almost certainly very mistaken. The United States will continue to be a global manufacturing leader in the 21<sup>st</sup> Century. The B&W area should continue to find its place there as well. But manufacturing in the 21<sup>st</sup> century will be very different from that of the 20<sup>th</sup> century. It will be more knowledge-, technology-, and capital-intensive.

All sectors of the B&W area’s 21<sup>st</sup> century economy will see accelerating technological innovation, shorter commercial life spans for products and services, and increasingly competitive markets.

#### **POWERFUL FORCES DRIVING CHANGE**

In response to powerful forces, the structure of the US economy is changing rapidly. Essentially, the change is a shift from a goods-producing economy to an economy dominated by production of services and intellectual property. Four powerful forces external to the B&W area drive this change:

1. *Demographic changes:* These changes reflect the aging of the Baby Boom generation; the low fertility rates of native-born Americans (especially Caucasians); and a rise in international immigration, especially from Latin America and Asia. All of these lead to a more ethnically diverse population, especially among the younger age groups.

2. *Technological Change:* Throughout the US economy, the pace of technological innovation grows ever more rapid, driven by an accelerating rate of scientific discovery and the necessity for companies to innovate or die.
3. *Globalization:* The American economy and the economies of its various regions integrate increasingly into a worldwide economy. Trade barriers are falling. Capital and technology are increasingly mobile. Advanced telecommunications link far corners of the earth in a seamless web of communication.
4. *More Asian Tigers:* The emergence of very populous countries such as China and India onto the world's economic stage, following that of earlier "Asian tigers," is transforming the face of international competition. This happens especially in manufacturing but increasingly in certain kinds of services.

### SOME IMPLICATIONS FOR THE B&W AREA'S WORKFORCE

Profound shifts in the B&W area's economic landscape will bring correspondingly profound changes in the area's workplaces, and therefore in the demands placed on its workforce. The specific skills and bodies of knowledge that were adequate yesterday will become obsolete tomorrow. That means that workers will need to stay constantly abreast of changing demands and continually update their skills and knowledge bases to meet them.

To succeed in 21<sup>st</sup> century workplaces, workers increasingly will need a combination of these attributes:

- Good work readiness skills, attitudes, and ethics;
- A sound basic education in mathematics, science, reading, communications, and problem solving. Equally important will be well-developed interpersonal skills, especially in the areas of leadership, teamwork, and customer relations;
- The ability and an eagerness to make lifetime learning a personal credo. That is because the most rapidly growing jobs in the years ahead will require more formal education and training as well as higher-order skills.

### *Where Will the Jobs Be?*

In this decade, the most rapidly growing jobs in the B&W area will be concentrated heavily in information technology, health services, and educational services.

The most job openings will be in entry-level retail occupations such as food preparation and serving. Most of these openings will arise from the necessity to replace workers who move up and out of these entry-level positions.

Nevertheless, one health service occupation—registered nursing—is among the occupations requiring large numbers of new workers, both to meet the needs of growth and to replace workers who retire or leave the occupation. Demand for other health care workers is also intense and will become more so as the population ages and health care technology advances. The B&W area will be challenged to fill all the needed jobs in the health care occupations during the balance of this decade.

### *Will There Be Enough Workers of the Appropriate Kind?*

The B&W area suffers no shortage of aspirations and even plans for its future economic development. Achieving those aspirations means having the right quantity of the right quality of workers.

*The quantity of workers.* If current official projections of population are to be believed, the B&W area may face a shortage of over 9,000 workers needed to achieve the employment levels officially projected by 2010.

*The quality of workers.* Tomorrow's economy will demand a dramatic improvement in the quality of

the B&W area workforce as measured by workers' education, knowledge base, skills, and facility in learning what they do not yet know.

### *There Will Be Losers*

This leads to a basic conclusion: individuals lacking a solid high school education will find themselves increasingly disadvantaged as the 21<sup>st</sup> century progresses:

- They will have greater difficulty finding employment;
- They will tend to be the first fired and last hired in times of economic slowdown;
- Even when they do find jobs, their pay will be too low to support what is accepted as a decent American lifestyle for themselves or their families.

### HOW DOES THE B&W AREA'S WORKFORCE MEASURE UP?

After analyzing adult educational levels in the B&W area, the job mix of the area's existing workforce, and the results of many employer interviews, this study concludes the following:

- The job mix of the B&W area's incumbent workforce is more heavily weighted than other Illinois areas toward the occupations and workers suitable for a 20<sup>th</sup> century manufacturing economy.
- The area's workforce and its job deployment are well aligned to a 20<sup>th</sup> century manufacturing economy.
- Adult and older adolescent educational attainments in the B&W area are not as good as they need to be to provide the right kind of workers for a 21<sup>st</sup> century knowledge economy.
- Many other areas in Illinois and beyond have workforces with higher levels of educational attainment and participation than the B&W area. These other areas compete vigorously with the B&W area for jobs and top talent.
- B&W area employers express considerable concern about the quality of the local workforce, and especially strong concern about the readiness of young workers entering employment from local high schools.

### WORKFORCE DEVELOPMENT IN THE B&W AREA

This study focuses sharply on the public K-12 educational system, especially on public high school education, in the conviction that most workers receive most of their formal preparation for the workplace during their years in that system. It also examines and evaluates parts of the area's postsecondary educational system, as well as the local implementation of the "One-Stop Career Center" concept.

### HIGH SCHOOL EDUCATION AND PREPARATION OF THE ENTRANT WORKFORCE

With respect to the B&W area's public high schools, several of the study's main findings were these:

- As measured by the performance indicators employed here (low dropout rates, high graduation rates, and good scores on standardized tests), not enough B&W area high schools perform adequately.

- According to the above indicators, no area high school ranks among Illinois' better ones.
- Student performance varies greatly among the area's ten public high schools. Students in some schools perform better than would be expected statistically given the socio-economic conditions of their student bodies. Others perform worse than would be expected. These variations warrant further examination.
- Two area high schools perform very poorly according to every indicator. These schools need to decrease their dropout rates, increase their graduation rates, and improve their educational performance markedly.
- High school dropout rates are generally too high. Far too many young people in the area do not complete high school. We know this not only from the reported high school dropout rates, but also, and perhaps more reliably, from the Census 2000 data.
- Too many of those students that do graduate often do not learn what they need in order to fulfill the demanding requirements of 21<sup>st</sup> century jobs.

### ROCK VALLEY COLLEGE

Rock Valley College (RVC) is the predominant community college in the B&W area. RVC receives high marks in this study. Employers interviewed in the course of this study generally spoke well of the college. Comments and suggestions for improvement at RVC included the following:

- An unusually high proportion of students at RVC appear to be concentrated in "transfer" programs, i.e., those designed to prepare them for completion of bachelor's degrees at four-year institutions. While this is commendable in itself, employers stress that RVC needs to put greater emphasis on occupational and vocational classes that can lead to more immediate employment, especially by older workers.
- RVC has not reached its potential in terms of numbers of students per capita of population in the area. Indeed, the college's enrollment only recently emerged from a dramatic slump in enrollment numbers during the 1990s, which may have been due to tight labor markets in that period (Figure IV-8). Employers hope that RVC's presence in the community will continue to grow.
- Some topics surfaced during employer interviews, pointing to what could usefully be added to the already impressive array of corporate training classes at KCC. They included the following:
  - Customer service training for entry level workers;
  - Training classes for first-time supervisors;
  - Techniques to reduce worker turnover, a phenomenon that seems likely to increase as the economy and employment recover;
  - Techniques to handle a multi-generational and diverse workforce successfully;
  - Ways to recruit workers whom companies don't generally think of, such as released felons, disabled workers, those who want flexible schedules and part time work, Hispanics, women with young children, and so on;

- Employer sentiments reinforce demographic and other projections featured in this study to suggest that RVC will need to greatly broaden its bases beyond transfer programs. This means that RVC will need to focus further beyond the traditional base of students between the ages of 17-20.

### EVALUATING LOCAL IMPLEMENTATION OF THE ONE-STOP CAREER CENTER CONCEPT

Interviews and focus groups with employers came up with several strong impressions concerning their perceptions of the One-Stop delivery system in the B&W area:

- *The One-Stop Center is widely perceived as assisting only the marginal workforce, particularly the unemployed and “down-and-outers.”* To counter that impression, the Center needs to become a much more attractive place to visit, and it needs to be organized so that customers using it would feel that they were regarded as first class citizens.
- *Visitors sense a “stove pipe” mentality in the One-Stop’s service delivery approach.* There is a widespread perception that customers’ needs are less important than bureaucratic programs and meeting certain criteria. Working out these arrangements will certainly be time consuming and difficult, but must be accomplished if customers are to avoid a maze of agency-specific hurdles in order to access services.
- *The focus on employers is only starting to be realized.* Staff members tend to wait for employer-customers to come to them. They lack a pro-active, account manager approach to visiting and working with employers to develop customized training and creative recruiting and retention strategies. The social worker mentality of serving only the unemployed or marginal worker still pervades.
- *The mission and services of the Workforce Investment Board and the One-Stop are not well known throughout the B&W area.* With needs so acute regarding workforce development, this is a regrettable situation that needs to be rectified soon. Marketing and collaboration with business and non-profit organizations by the One-Stop needs to be a major focus.

## A SWOT ANALYSIS

### STRENGTHS

By strengths, we mean the existing capabilities and assets that the B&W area currently has. Strengths also refer to the area’s ability to grow and adapt and react positively to the forces of change. Among the most notable of the B&W area’s strengths are these:

- Excellent air, highway, and rail transportation infrastructures as well as rapidly developing intermodal transshipment capacities;
- Council of 100 and its vision and energy; the new Ag-Tech Park and the Manufacturing Excellence Center that is being planned;
- A workforce with manufacturing experience;
- The wide variety of arts, parks, and museums in the area;
- Rock Valley College’s extensive programs;
- Close proximity to the University of Northern Illinois with its impressive talent pools and research capabilities;
- Proximity to the Chicago metro area’s abundance of other higher educational institutions and amenities;

- Proximity to the University of Wisconsin in Madison, plus many small, high quality private colleges in the area.

### WEAKNESSES

By weaknesses, we mean the gaps between the current assets that Boone and Winnebago have and the assets the counties need to exploit future opportunities. Weaknesses also refer to liabilities that thwart the communities' future.

- Relatively low educational attainment of the population and workforce;
- Relatively elevated high school dropout rates and low graduation rates;
- Relatively low performance of high school students, at least as measured by standardized tests such as PSAT and ACT;
- A heritage of schools that do not perform well and the widespread perception that there are no positive ways of improving them;
- Workforce experience, especially in manufacturing, that often poorly matches the more rapidly growing services-producing and knowledge-based segments of the Illinois and US economies;
- A relatively weak ability, thus far, to attract highly talented professionals to settle and work in Boone and Winnebago counties, because of weak schools and competition from other northeastern communities that prospective residents see as more desirable ;
- The departure of major business headquarters from the Rockford area in recent years as the consequence of company buyouts and consolidations;
- A none-too-robust entrepreneurial culture and practice. An underdeveloped ability to commercialize research and development results from area universities.

### OPPORTUNITIES

By opportunities, we mean the potentials that are presented both by the external environment and by the latent possibilities offered by the talent and resources in the B&W area.

- To lower high school dropout rates and raise graduation rates;
- To strongly encourage adults lacking high school diplomas (or equivalent) to pursue a GED;
- To leverage Rock Valley College to educate and train the local workforce to an even greater degree;
- To take advantage of the proximity of all nearby institutions of higher education:
  - encouraging workers to complete bachelors' or advanced degrees;
  - stimulating commercialization of research results from these institutions;
- To attract entrepreneurs to the area by touting lower costs of living and relatively abundant and inexpensive labor, as well as proximity to the University of Northern Illinois and other nearby talent pools and training opportunities;
- To attract and nurture small but highly innovative manufacturing and other companies;
- To attract talented domestic and international professionals to both counties;
- To attract persons raised in the area but who now live and work elsewhere to return home to raise their families in a familiar environment;

- To develop the potential of the new Ag-Tech Park in Belvidere, the Illinois Manufacturing Extension Center at Rock Valley College, and the Global Intermodal III in nearby Rochelle.

### THREATS

By threats, we mean the external forces that can act to thwart the realization of an area's potential or that negate the assets that the area already has.

- The lure of Midwest metros (e.g., Chicago, Madison, Twin Cities) and especially of southern and southwestern states:
  - For retail shoppers because of I-90 and easy access to shopping;
  - For Boone and Winnebago youth who see these larger metro areas as more exciting places to live and work;
  - For area workers, especially the most educated and skilled, because they perceive superior job and lifestyle opportunities in such areas;
- Globalization, rapid technological innovation, and the changing structure of the American economy pose serious challenges to traditional manufacturing, especially to commodity producers;
- Unwillingness of the area's workforce to respond positively to these challenges by not upgrading their own skills and by not encouraging their children to remain and achieve in school;
- An aging, mainly white, workforce. Many of the Boomer generation will be retiring soon. Some may leave the community;
- A continuing *brain drain* (the loss of vital, creative, and intelligent workers) particularly among young people, that is not compensated by *brain gain* (the reverse of brain drain).

We now proceed to discuss ten challenges that we put before the Boone and Winnebago counties Workforce Investment Board.

## DEVELOPING A 21<sup>ST</sup> CENTURY WORKFORCE FOR BOONE AND WINNEBAGO COUNTIES: TEN KEY CHALLENGES

This study has explored and outlined the territory that Boone and Winnebago counties must traverse in the early 21<sup>st</sup> century. It remains for the people of this area to build the road to the destinations they desire to reach. What follows is a list of ten key challenges for building this road to the 21<sup>st</sup> century.

1. *Strengthen the competitiveness of the existing manufacturing base.* The WIB and its partners need to interact actively and continually with all major area manufacturers to determine the critical skills that their workers will need to help make them more competitive in their local, national, and global markets. The One-Stop Career Center also needs to help in providing assessment tools to the incumbent manufacturing workforce to determine skills gaps and customized training to reduce those gaps.
2. *Spur entrepreneurialism in the area,* both to help workers diversify their sources of income beyond wage and salary employment and also to nurture the seeds of the area's economic future. Develop and market the centers in the area that provide counseling, technical assistance, and training to nurture startups and other local entrepreneurial businesses. Expand the Junior Achievement program to all area schools to reach all grade levels. Harness the results from research and development from major universities in Chicago and Madison and commercialize them in this area.

3. *Improve the educational performance of all public K-12 schools.* Put special emphasis on teamwork and customer service skills as well as basic cognitive skills. It is not sufficient to have good private schools. The B&W area will not be able to compete successfully and consistently for talented professionals unless the public schools also show substantial improvement. Enlist the business community and area leaders to improve school governance. Create a community-wide campaign to reduce dropout rates and raise graduation rates in all high schools.
4. *Ensure that Rock Valley College provides focused training for a substantial percentage of incumbent workers in the area,* not just for students in transfer and/or associate degree programs. Study the experiences of community colleges around the country that are heavily involved in market research as well as marketing their courses to employers and workers who need skills upgrades. Emulate the best of those experiences when they are appropriate to RVC and the B&W area.
5. *Improve the appearance of the One-Stop Career Center and enhance its ability to provide improved and multiple services to employers.* At present, the One-Stop Center projects a very depressing impression. In order to attract more jobseekers, incumbent workers, career changers, small and medium business owners, and other visitors, this needs to be changed radically. The ability and willingness of the One-Stop staff to energetically discover and meet the needs of area employers needs to be enhanced.
6. *Enhance the quality of career and guidance counseling,* especially within the B&W area's high schools, but also at the One-Stop Career Center. Ensure that top quality career and guidance counseling is available and accessible to all students and incumbent workers in the area. Offer national counseling certification courses through the One-Stop. Collaborate with the Chamber of Commerce to provide paid internships to teachers and guidance counselors to learn about the area's leading industries and job potentials.
7. *Upgrade the educational level of the adult population and the skills level of the incumbent workforce.* Strongly encourage adults lacking high school diplomas (or equivalents) to obtain a GED. Launch a business- and community-wide recovery program aimed at recent high-school dropouts. Encourage adults with only high school education to obtain postsecondary education including associate's or bachelor's degrees or professional certification.
8. *Support the Council of 100 and other economic development initiatives* in their emphases on advanced manufacturing, logistics, healthcare, and biotechnology for the area in years ahead. Foster active mentoring, internships, advisory committees, job shadowing, brain gain programs, career awareness programs, and easy access to up-to-date career resources for all students to understand the skills and educational requirements demanded by occupations in these clusters. Develop seamless career ladders that help students and workers in transition learn how to become prepared for jobs in these high paying fields.
9. *Promote learning, creativity, and innovation throughout the community* to enhance abilities to anticipate and respond to change. Communities that constantly research new occupations and fields and prepare their students and workers for these new opportunities will be successful. The Boone and Winnebago WIB must have a continual stream of speakers, resources, and discussions at Board meetings regarding innovation potential in the counties. The Board also needs to be a community leader, exhorting the counties to become a Learning Community that can anticipate and respond properly to a rapidly changing environment. Develop the sense among all residents that the way to their individual and collective economic future is through continuous learning, constant skills upgrading, and helping their children work to their potential every day at school.
10. *Encourage "creative class" members to relocate their businesses and families to the B&W area,* where they can pursue their business interests and enjoy the qualities of small town life while being close to Chicago to take advantage of big city amenities. Work to retard the current brain drain and attract talented former residents back to the area. Market the area as a place where creative