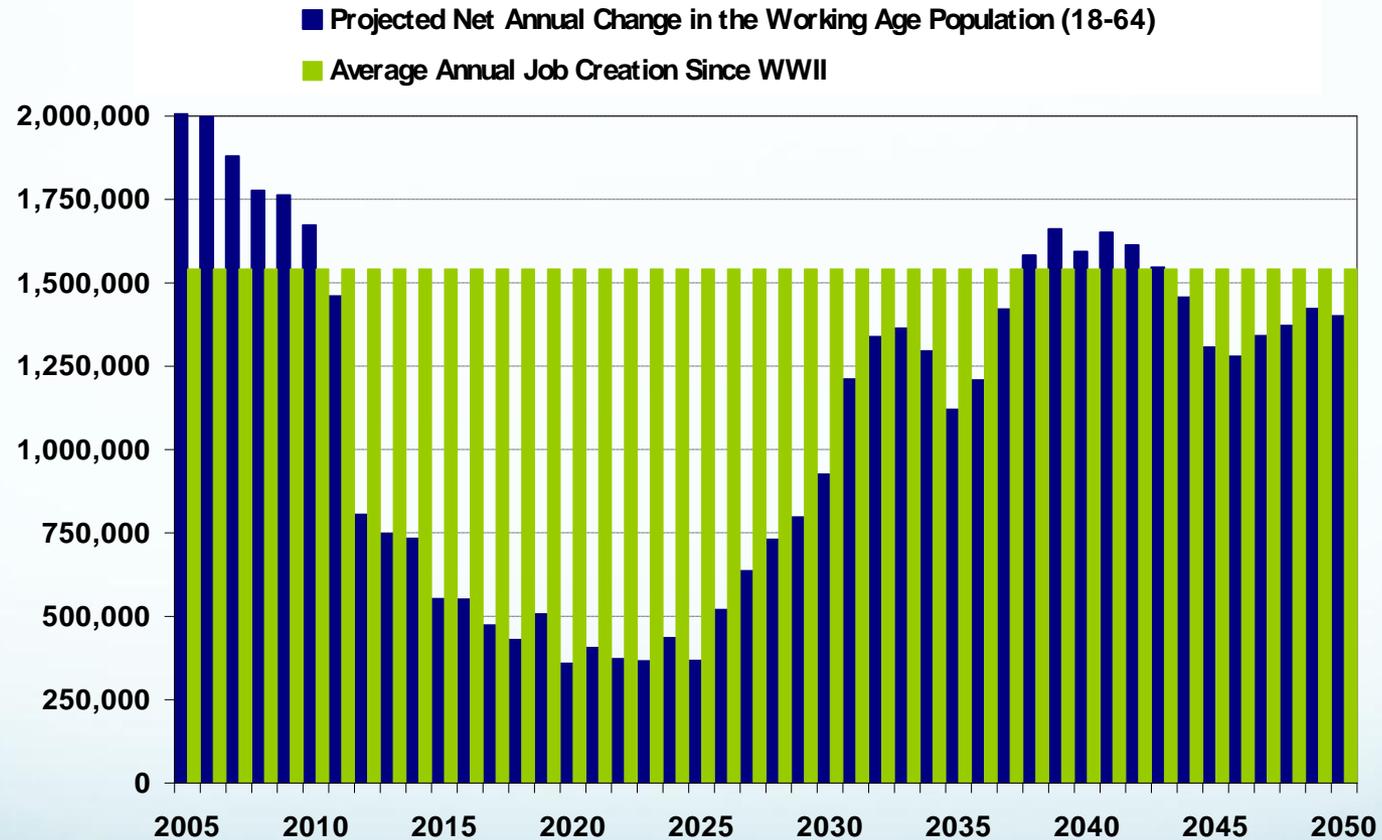


Workforce Development Challenges

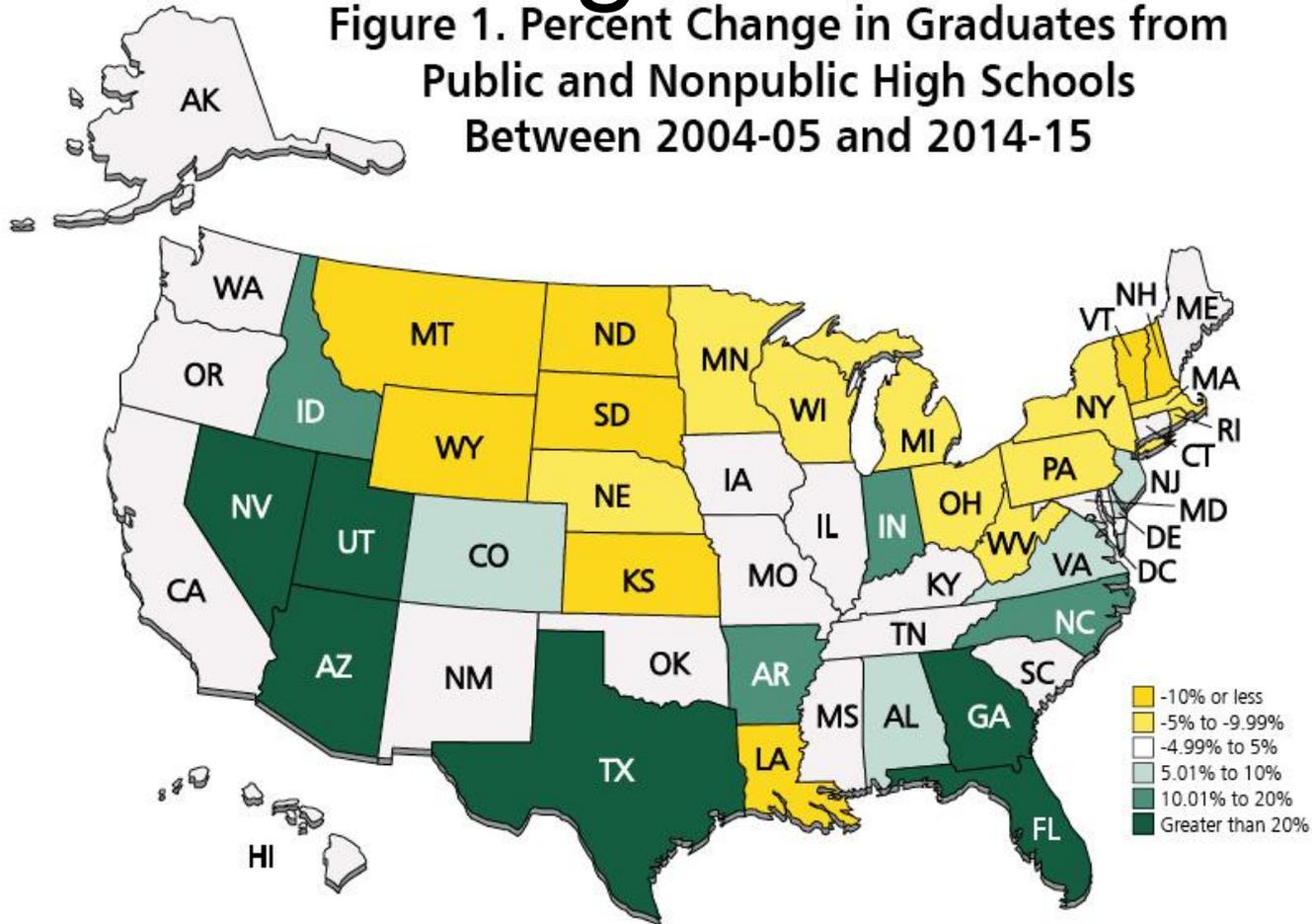
Not Enough People – US



Sources: TIP Strategies; U.S. Bureau of Labor Statistics; U.S. Census Bureau

Not Enough Graduates

Figure 1. Percent Change in Graduates from Public and Nonpublic High Schools Between 2004-05 and 2014-15



Not Enough Workers

- Geographical disparity in demographic trends
- At best, HS graduates are flat for the next 10 years (2013-23)
- Baby boomer retirements are accelerating
- Competition from surrounding states for HS students going into technical careers is increasing

Critical Skilled Worker Shortages

- Construction Trades
 - Building trades
 - HVAC
 - Electrical Construction
- Manufacturing
 - Welding
 - Electronics and controls
- Mechanics
- Utilities
 - Electrical
 - Gas
 - Telecom
 - SCADA

SD WINS Targeted Groups 2020 Projected Change

Specialty Trades (540)

Mechanics (390)

Truck Drivers (645)

First Line Supervisors (590)

Welders (345)

SD WINS Targeted Groups 2020 Projected Change

Sales Representatives (850)

Accounting/Finance (1,020)

Nursing (2,150)

Information Technology (695)

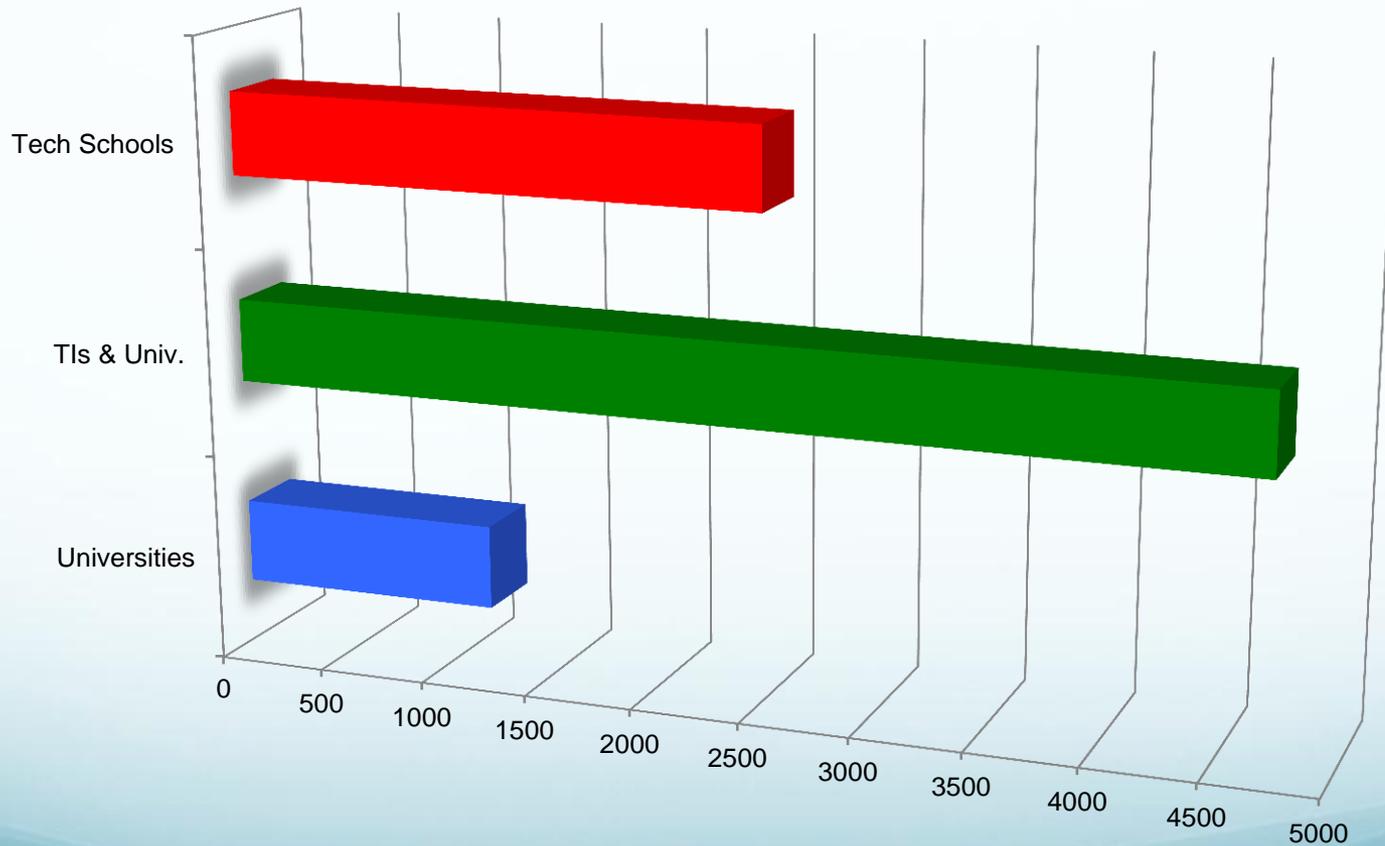
SD WINS Targeted Groups 2020 Projected Change

Teachers (915)

Engineers (65)

Physicians (130)

SD WINS Targeted Groups 2020 Projected Change Totals



The Problem as We See It

WORKFORCE DEMAND



Demographic Shortage

Unsettled Wanderers

Available Labor Pool

Wrong Skills 2007 Supply vs Demand

SD Degrees	SD Annual Grads	SD Annual Demand
Psychology	170	12
Sociology	109	6
History	118	0
Power Line	54	110

Two-Year College Comparison with Surrounding States

State	Tuition & Fees per Student	%	Rank	State & Local Aid	%	Rank	Grants & Other	Total Cost per Student	Rank
IA	\$2,495	21%	5	\$4,338	35%	5	\$5,469	\$12,302	5
MN	\$2,927	25%	4	\$3,947	33%	6	\$4,819	\$11,693	7
MT	\$3,194	20%	2	\$5,830	36%	4	\$6,450	\$15,474	2
NE	\$1,522	13%	7	\$7,368	59%	2	\$3,685	\$12,575	4
ND	\$3,125	20%	3	\$6,005	34%	3	\$7,933	\$17,063	1
SD	\$4,155	35%	1	\$3,303	28%	7	\$4,388	\$11,846	6
WY	\$1,640	10%	6	\$8,878	58%	1	\$4,862	\$15,380	3
AVG	\$2,723			\$5,667			\$5,134	\$13,762	

Tech Impact: A Circular Problem

- Not enough skilled workers coming out of tech schools leads to shortage of skilled workers
- Shortage of skilled workers leads to increased wages attractive to current faculty
- Current faculty leave for industry
- Recruiting instructors from industry at a lower wage leads to second-tier faculty
- Second-tier faculty lead to lesser skilled graduates and less attraction to the program

Invest in Educating the Workforce

- The writing is on the wall—your post-secondary educated population must grow for economic growth
- We need to take a 10-15 year view of the workforce and develop a plan on how to address the critical shortages that are developing

“The best time to plant a tree was 20 years ago—the second best time is now!”

We need to take actions **NOW** to solve the workforce problem in South Dakota.