

**Berks County Workforce Development Board Incumbent Worker
Employment Retention/Layoff Aversion Strategy for
Regional High Priority Industry Sectors
(2024-2029, Approved June 21, 2024)**

In 2016, the Berks County Workforce Development Board (WDB) duly adopted this Incumbent Worker Employment Retention/Layoff Aversion Strategy. Initially, the strategy was targeted solely to the WDB's highest priority industry sector of Advanced Manufacturing. As economic conditions evolved, the WDB subsequently extended the strategy to cover the emerging needs of our local Construction industry sector. In response to our new post-pandemic economic conditions, the WDB now amends this strategy to include our rapidly expanding Healthcare sector in response to financial threats facing local healthcare industry employers resulting from the rapidly widening gap between growing critical-skilled worker exits and a sustained shortage of qualified new-hire replacement candidates.

Given our large number of local establishments providing attractive career pathways, the WDB has identified advanced manufacturing, healthcare, and construction as our three highest priority industries warranting long-term workforce development support. However, despite the strength of these three industries, the available local workforce will significantly be impacted by well documented projected demographic changes. For example, the estimated 67,000+ workers who make up our experienced manufacturing, healthcare, and construction workforces continue to age, and many are approaching retirement. An average of 27% of incumbent workers in these sectors are aged 55 years or older:

- **Manufacturing** remains Berks County's largest industry sector by economic output and by employment with over 30,000 jobs ($\approx 17.3\%$ of local employment). Berks County WDB projections indicate that local manufacturing employers will need to hire at least 6,400 new skilled and semi-skilled replacement workers by the end of 2029 just to replace expected retirements. The WDB will support these employer's efforts to upskill new entrants as well as retain and retrain existing employees if they are to continue to successfully thrive and expand to remain internationally competitive. As in the past, particular attention must be paid to developing critical technical skills in industrial maintenance (mechatronics), precision machining, advanced welding technology, diesel technology, quality systems which make up an increasing share of essential skills in the modern advanced manufacturing workplace.
- The WDB has determined, through continuous Labor Market Information (LMI) examination and personal dialogue with employers, that the **Construction** industry is vulnerable to a talent pipeline deficit that mirrors that of the manufacturing sector. Estimates suggest Construction sector employers will need to find 1,600 replacement workers due to retirements in the same five-year period including workers that are employed in high priority skilled trades and heavy machinery operation occupations that require long-term training, apprenticeships, and licensing certification. Fortunately, unlike our manufacturing sector, our Berks Construction Industry currently has a robust foundation of 77 distinct employer-sponsored Registered Apprenticeship (RA) "earn and learn" training models on which to build. The RA programs are a proven "best practice" incorporating well-defined career and wage progression to recruit, train, and retain workers.
- Our **Healthcare** sector is our second largest in terms of employment with currently over 25,000 workers (13.3% of local employment). The Berks County WDB's LMI research input from employers engaged in our new Healthcare Industry Partnership (IP) now prompts the Berks County WDB to respond to our region's aging population and growing need for quality-of-life assistance. In combination with the rapidly widening gap between growing critical-skilled worker exits and a sustained shortage of qualified new-hire replacement candidates described above, the workforce needs of both critical care and long-term care providers deserves special

focus over the next five years. For example, the 5-year total demand (exits + transfers + growth) for the top-five essential healthcare-related occupations (RN, LPN, Nursing Assistant, Medical Assistant, and Personal/Home Health Aide) projects an alarming replacement need. Further LMI examination of employment trends in healthcare support occupations shows an overall growth of $\approx 100\%$ in the period 2018-2023, rising consistently with projected regional industry needs. Consequently, a significant opportunity exists to build stronger career ladders, especially for under-served/under-represented residents seeking attractive family sustaining careers through abundant career pathway opportunities, including emerging registered apprenticeships.

Conclusions: This manufacturing/healthcare/construction talent attraction and retention challenge has been decades in the making. Local employers, especially small-medium size firms, are unlikely to solve it solely within their own resources. Without a proactive strategy, these skills gaps could serve as barriers to effective operation, services, and maintenance capabilities thereby negatively impacting employer judgments about their ability to find, develop and retain the talent they need to positively impact their long-term expansion planning decisions. The current reality is that most semi-skilled and entry-level workers lack the technical skills and/or credentials needed to advance into higher-paying positions without additional education and training. As a result, these individuals may lack present and/or future employment security in a changing skills-driven environment and could be at risk for job elimination or forced replacement. Experienced workers impacted by layoffs in these critical sectors will likely find a more selective job market in the near term where employers give great priority to candidates with specific in-demand skills.

Employment Retention/Layoff Aversion Strategy: As a forward-thinking job retention, layoff aversion, and economic development strategy, the Berks WDB supports the proven practice of capitalizing on incumbent worker training (IWT) to build Advanced Manufacturing, Healthcare, and Construction industry worker competencies while matching newly entering talent with experienced employees for knowledge transfer. IWT will benefit the employer by meeting job skill requirements for development, advancement, and retention of a qualified, highly competent workforce. In addition to industry needed skills gain, individuals employed in entry-level manufacturing, healthcare, and construction occupations will benefit by attaining broad-level employment security in the sector and avoiding future job loss. In cases where upskilled workers do become dislocated, the enhanced technical skills, professional credentials and/or successful apprentice status provided by such training will enable them to be more quickly re-employed in similar well-paying jobs at other, more financially successful local employers. Upskilling incumbent workers can also lead to advancement opportunities which create entry-level openings for new entrants into these attractive career pathways. In fact, individuals in these occupations often have skills that allow them to readily move across these technology-driven sectors.

The Berks County WDB's key strategic vehicle for assisting local Manufacturing, Construction, and now, Healthcare-related employers to cooperatively address these challenges is the Berks WDB Incumbent Worker Training Services Consortium. Since 2017, the Berks IWT Consortium has supported cooperative training solutions that have benefited incumbent workers, and employers alike, by reimbursing the eligible federal portions of training costs to sponsoring employers who commit to required matching cash contributions.

In continuance of this board-approved strategy, the Berks WDB will seek and "braid" additional sources of public and private matching funds to sustain and support needed technical skills training for incumbent workers employed in the advanced manufacturing, construction, and healthcare industries. Such funding sources may include federal WIOA Title I and Rapid Response funds, National Emergency Grants, and state discretionary grants (including Registered Apprenticeship grants and Industry Partnership grants where IWT implementation is mandated).