Update on the Labor Market and Kansas City Fed Workforce Development Efforts

U.S. Conference of Mayors
Workforce Development Council
Kansas City, MO
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Kelly D. Edmiston and Steven Shepelwich
Employment Growth

Source: U.S. Bureau of Labor Statistics
The Jobs Deficit

Chart computes the employment level that would be required to keep the unemployment rate at the December, 2007 level, given structural trends in the labor force participation rate. The structural trend in labor force participation rates is discussed in Van Zandweghe (2012).

Unemployment and Labor Force Participation Rates

Source: U.S. Bureau of Labor Statistics
Expanded Unemployment Rate (U.S.)

Source: U.S. Bureau of Labor Statistics
Low- and Moderate-Income Job Outlook

Source: Federal Reserve Bank of Kansas City LMI Survey
Share of Unemployment that is Long-Term (U.S.)

Source: U.S. Bureau of Labor Statistics

Share of Unemployed

Mar-08 Jul-08 Nov-08 Mar-09 Jul-09 Nov-09 Mar-10 Jul-10 Nov-10 Mar-11 Jul-11 Nov-11 Mar-12

Source: U.S. Bureau of Labor Statistics
Typical Recession Path

Source: Bureau of Economic Analysis
Quarterly GDP Forecasts

Change, real GDP, Annual Rate

Actual    | 10q1 | 10q2 | 10q3 | 10q4 |
Forecast  | 11q1 | 11q2 | 11q3 | 11q4 |

Source: Blue Chip Economic Indicators (Apr 2012)
## Consensus Forecasts

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<thead>
<tr>
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<th>2010</th>
<th>2011</th>
<th>2012F</th>
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</thead>
<tbody>
<tr>
<td>Real GDP Growth</td>
<td>3.0</td>
<td>1.7</td>
<td>2.3</td>
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<tr>
<td>Unemployment Rate</td>
<td>9.6</td>
<td>8.9</td>
<td>8.2</td>
</tr>
<tr>
<td>Consumer Prices</td>
<td>1.6</td>
<td>3.1</td>
<td>2.3</td>
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Source: Blue Chip Economic Indicators (Apr 2012); Consensus Forecasts (Mar 2012); U.S. Bureau of Labor Statistics
Chronic Unemployment & Workforce Development Initiative

- **System-wide initiative**

- **Issues of interest**
  - Characteristics and barriers facing “hard to employ” or “chronically unemployed” populations.
  - Effects of state and national policies.
  - Needs, opportunities and practices of workforce programs.
  - Role of CRA in job creation and workforce development.

- **Approach**
  - Regional focus tailored to local issues
  - Collaboration on key issues and questions
  - Compilation of Federal Reserve resources and products - www.frbatlanta.org/chcs
  - 24 roundtables and events held

- **Next steps**
  - Consolidate event summaries
  - Dissemination strategy
10th District Roundtables

- Roundtables held throughout District
  - Diverse stakeholders in Kansas City, Denver, and Omaha
  - CRA officers in Albuquerque and Oklahoma City

- Common themes
  - Need to clearly define workforce development clients.
  - Opportunities for all stakeholders to network and collaborate valued.
  - Interest in policies, programs, and strategies addressing:
    - Increased screening scrutiny
    - ‘Cliff effect' of means-tested public benefits, esp. child-care
    - Training that is flexible, skills focused and tied to career pathways.
    - Sector approaches to organizing workforce initiatives.
  - Role of CRA and how it can be used.

- Next steps
  - Brief on roundtable discussions.
  - Webinar series addressing issues (*June 21, July 19, Aug. 16*)
  - Reviews of programs addressing identified issues.
Partnership with Federal Reserve Bank of Atlanta

Focus on:
- Intersection of research and practice
- Drivers of change in workforce development needs and practice

National audience of senior leaders in research, policy, workforce and economic development organizations.

Agenda overview
- Glen Hiemstra, futurist
- Dr. Paul Osterman, MIT
- Concurrent sessions featuring both research and practice

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