GRCC Environmental Scanning Report April 2013
Prepared for Board of Trustees and Strategic Leadership Team

This quarter’s report will review a variety of changes and issues GRCC can use to anticipate the future. Every article summary has a link to the actual article so that you may read in its entirety. Each section will contain several article summaries as well as Possible Implications based upon the summaries. The report begins with changing demographics and economic growth in the region.

Demographics

Summary: Several articles point to economic and population growth in Kent, Ottawa and surrounding counties. Population growth is essential to the economic growth of the area and the proper education and training is essential to our region’s economic growth.

Grand Rapids Metro Area Growth

- Recent census data shows that Grand Rapids now consists of a population of more than 1 million in the metro area, which could make it more desirable and competitive in attracting businesses to the area.
- Metro Grand Rapids now includes 1,005,648, compared to a 2010 population of 774,160.
- However, the new population data doesn’t reflect the full picture. The data is derived from the metropolitan statistical area consisting of Kent, Ottawa, Mecosta and Barry counties, while previous census data consisted of the MSA of Kent, Ionia, Barry and Newaygo counties.
- “I anticipate continued growth in West Michigan. This region has one of the most vibrant economies in Michigan, and its combination of favorable migration patterns and more births than deaths should make it one of the fastest growing regions of the state.” (Kenneth Darga, state demographer)
- Darga said the southeastern side of the state, including Detroit, isn’t growing at the same rate as West Michigan.
- “Its (West Michigan’s) primary competition for being the fastest growing region of Michigan is likely to come from the Traverse City and Ann Arbor areas, which have recently had higher net migration rates but lower birth rates,” he said.
- The census data also shows that Ottawa and Kent are among the fastest growing counties in the state, ranking first and fourth, respectively; Grand Traverse is second and Keweenaw is third.
- “The Ann Arbor MSA, which consists of Washtenaw County alone, was the fastest-growing MSA in Michigan, with an estimated 1.8 percent growth since the 2010 census. Grand Rapids-Wyoming was close behind at 1.7 percent,” Darga said. “The Traverse City
micropolitan area, which consists of Grand Traverse, Leelanau, Benzie, and Kalkaska counties, grew by an estimated 1.3 percent.


Ottawa County Manufacturing Growth

- Ottawa County was the best in 2012 in job growth and manufacturing expansion.
- Its unemployment in November was below 6 percent, 5,000 jobs were added during the year and there were signs of renewed life in the residential construction industry.
- "Ottawa County did better than the nation. Ottawa County did better than the state and it did better than its neighbors," said economist George Erickcek, a senior regional analyst at the WE Upjohn Institute for Employment Research in Kalamazoo.
- ...from November 2011 through November 2012 in Holland-Zeeland, the county manufacturing base had a 4.8 percent expansion in hiring and an 8 percent growth in manufacturing production. That was the highest of any region in the state.
- "Ottawa County in job creation and (job) retention leads all of the regions in the state in employment growth," he said.
- In comparison, the Kalamazoo-Portage Metropolitan Statistical Area had a job growth of 1.6 percent, while manufacturing fell by 6.1 percent.
- The Grand Rapids-Wyoming MSA had a 1.3 percent increase in employment and manufacturing goods production grew by 1.8 percent, while Muskegon Norton Shores MSA had a 0.9 percent job loss and 1.1 percent gain in manufacturing.
- One concern for Erickcek and the West Michigan economic picture is that employers are reporting a shortage of skilled labor.
- "While the need for highly skilled workers is high, wages (for jobs) are stagnating or going down," he said, noting that with the economic improvement and increased job opportunities, companies might have to increase salaries to attract key people.


GDP Growth in the Region

- Grand Rapids-Wyoming and Holland-Grand Haven regions outpaced the state and the nation in 2011 when it came to the growth of Gross Domestic Product.
- That's according to data released by federal Bureau of Economic Analysis on Friday, which breaks down the statistics by metropolitan area.
- Gross Domestic Product or GDP reflects total value of all goods sold.
- The Holland-Grand Haven region led West Michigan, growing at 7 percent in 2011 to $8.9 billion, after rising by 5.5 percent in 2010 to $8.3 billion.
• Grand Rapids-Wyoming’s GDP increased 4.8 percent in 2011 to $33.8 billion after growing 5.6 percent in 2010 to $32.3 billion.


Kent-Ottawa –Allegan Counties to reach 1 million
• The 2012 population of Kent, Ottawa and Allegan Counties was 992,125. By 2014, the population is predicted to reach 1,000,835.


Possible Implications: Grand Rapids Community College is at the center of one of the fastest growing regions in the State. The college should continue to think strategically in terms of education and training of the region’s workforce. The data also indicate that GRCC should be prepared for older learners since most of the growth in the area is due to in-migration rather than increased birthrate. The currently identified skills gap will make matching education and training to the skills needed in the area a priority.

Key ideas: Rapidly growing population. Growth in Ottawa County’s manufacturing base. Skills mismatch.

Skilled Worker Shortage

Summary: The skills shortage or a shortage of workers qualified to fill existing positions continues to be a regional and national issue. Also, as manufacturing and health care change the way they do business many new skills are necessary due to technological advances in both industries.

Manufacturing
• Finding qualified employees remains the biggest challenge facing West Michigan companies that make parts for automobiles, according to Rich Antonini, managing partner of the Grand Rapids office of Plante Moran.
• "Frankly, a lot of the suppliers scaled back on apprenticeships and internship programs a few years ago," said Antonini, whose firm will co-host the 14th annual Automotive Suppliers Symposium this week at the Van Andel Global Trade Institute.
• "$They were all about survival back then. What they didn't do back in '08, '09 and '10 is really impacting them in 2013," Antonini said.
• The growing demand from automakers, who are expected to produce more than 15.5 million vehicles in the next year -- compared to 8.5 million vehicles in 2009 -- creates new problems, Antonini said.

*Auto parts suppliers struggle to fill jobs, The Grand Rapids Press, By Jim Harger, March 3, 2013*

**Health Care**

• In national job estimates, three of the top four occupations with the greatest job growth are in health care -- registered nurses, home health aides and personal care assistants. In addition, 12 of the top 25 occupations that are the fastest-growing occupations also are in health care.

• With the growth and changing nature for quality health care, health care employers need qualified, competent and compassionate workers. Factors affecting how health care is provided include advances in technology, rapid development of electronic medical records, changes in the way we receive health care, increases in preventive services, increases of more chronic diseases and greater emphasis on person-centered care. Employers need motivated and well-trained workers who are best-suited to work in this changing health care field.

*Health care workers needed, The Grand Rapids Press, February 24, 2013 (Link unavailable; article available upon request.)*

**Possible Implications:** Grand Rapids Community College needs to be in continuous conversation with manufacturing and health care employers in order provide training and education necessary to provide skilled employees. Rapid changes may be necessary in our programs, courses, and continuing education offerings. Developing an agile approach to program improvement and program creation will be an important asset if we are to continue to supply the type of worker needed for our area.

**Key ideas:** Skills mismatch; Manufacturing and Health Care; Agile program offerings.

**Over Qualified for the Job**

**Summary:** This next article suggests that many graduates with Bachelor’s Degrees are over qualified for the jobs they are presently in. Further examination of the article points to the fact that many graduates have the wrong degree for the needs of the workforce. The underlying theme is the high cost of a college education today.

**A Bachelor’s Degree, but Underemployed**

• Nearly half of working Americans with college degrees are in jobs for which they're overqualified, a new study out Monday suggests.
• The study, released by the non-profit Center for College Affordability and Productivity, says the trend is likely to continue for newly minted college graduates over the next decade.

• "It is almost the new normal," says lead author Richard Vedder, an Ohio University economist and founder of the center, based in Washington.

• The number of Americans whose highest academic degree was a bachelor's grew 25% to 41 million from 2002 to 2012, statistics released last week from the U.S. Census Bureau show.

• The number with associate's degrees increased 31%, while the number of Americans for whom the highest level of education attainment was a master's or doctorate degree grew fastest of all - 45% and 43%, respectively.

• Vedder, whose study is based on 2010 Labor Department data, says the problem is the stock of college graduates in the workforce (41.7 million) in 2010 was larger than the number of jobs requiring a college degree (28.6 million).

• That, he says, helps explain why 15% of taxi drivers in 2010 had bachelor's degrees vs. 1% in 1970. Among retail sales clerks, 25% had a bachelor's degree in 2010. Less than 5% did in 1970.

• "There are going to be an awful lot of disappointed people because a lot of them are going to end up as janitors," Vedder says. In 2010, 5% of janitors, 115,520 workers, had bachelor's degrees, his data show.

• "Right now you can look around the world and you can see a lot of high-tech, high-value high-productivity jobs that we are not doing in this country, in part because our country does not have the requisite skills," says Joe Minarik, of the Washington-based Committee for Economic Development. Forgoing college "is not what we should aspire to."

**Study: Nearly half are overqualified for their jobs, By Bob Brenzing, USA Today, Jan 28, 2013**

**Related Articles**

Is it worth it to go to college?
Investing by degrees
Don’t Encourage Students to Skip College

**Possible Implications:** The potential threat to graduates of GRCC is that they may be competing with Bachelor's prepared graduates in the job market. The challenge for GRCC is to make sure that our graduates have the skills that match employer needs. Also, it is important to advise students entering GRCC to pursue careers that are in demand. This should be considered whether the student is pursuing an Occupational or Transfer Program. Our Career Coach web-based tool can provide students and potential students with solid labor market
Currently the occupations that are in demand in our region are in Health Care, Manufacturing, and Information Technology.

**Key ideas:** Over qualified workers; Cost of Education; Type of Degree Matters.

**Education Fact**

**Who Lost Work?**
Nearly four out of every five jobs lost during the Great Recession were held by workers with a high school diploma or less.


**Robots and the Workforce**

**Summary:** Robots are increasingly replacing the need for human labor. Manufacturers have increased productivity without increasing the number of employees. Will the proliferation of robots be an opportunity or a threat to the current workforce?

**Replaced by Robots?**
- Some experts now believe that computers and robots will take over much of the work performed by humans, raising critical concerns about the future of jobs.
- A recent Associated Press study found that the Great Recession and new technologies have destroyed millions of middle-class jobs in the developed world.
- Some believe millions more will be lost to technology, even as the economy improves.
- “I have never seen a period where computers demonstrated as many skills and abilities as they have over the past seven years,” Andrew McAfee, principal research scientist at the Center for Digital Business at the Massachusetts Institute of Technology and co-author of "Race Against the Machine," told the AP.
- Computers and robots are replacing all sorts of jobs, including factory assemblers, secretaries, travel agents, stock traders, editors and salespeople.
- But others say the idea that robots and computers will toss humans out of most of their jobs is wrong.
- “I’m not buying that it’s different this time,” he told me. “The opposite is happening in Detroit now. The auto companies are making huge investments in technology and they’re hiring back thousands of people.” (Jeff Burnstein, president of the Association for Advancing Automation in Ann Arbor)
• The International Federation of Robotics recently predicted that the industry would create as many as 3.5 million jobs by 2020, according to the New York Times.

• Burnstein said manufacturers must embrace automation to improve product quality and overall competitiveness.

• He also said that many companies are having a hard time finding technically skilled workers as workplaces add more computers, robots and digital communication devices.


Can You Fly a Drone?

• While most jobs flying drones currently are military-related, universities and colleges expect that to change by 2015, when the Federal Aviation Administration is due to release regulations for unmanned aircraft in domestic airspace. Once those regulations are in place, the FAA predicts that 10,000 commercial drones will be operating in the U.S. within five years.

• Although just three schools currently offer degrees in piloting unmanned aircraft, many others – including community colleges – offer training for remote pilots. And those numbers are set to increase, with some aviation industry analysts predicting drones will eventually come to dominate the U.S. skies in terms of jobs.

• At the moment, 358 public institutions – including 14 universities and colleges – have permits from the FAA to fly unmanned aircraft. Those permits became public last summer after the Electronic Frontier Foundation filed a request under the Freedom of Information Act.

• The government issues the permits mainly for research and border security. Police departments that have requested them to survey dense, high crime areas have been rejected.

• Some of the schools that have permits have been flying unmanned aircrafts for decades; others, like Sinclair Community College in Dayton, Ohio, received theirs recently to start programs to train future drone pilots.

Anticipating domestic boom, colleges rev up drone piloting programs, MSNBC News, By Isolde Raftery, January 29, 2013

Possible Implications: Robots have proliferated over the past seven years and can perform more tasks every day. Rather than anticipating the demise of the human workforce we should embrace the number of potential jobs that will be created by robots. Workers will be needed to operate, program, and repair robotic devices in many industries. GRCC should continually monitor the need for robotic operators and technicians in our region and develop courses and programs accordingly.

Key ideas: Robots replace humans; Robots create jobs for humans; Education and training opportunities.