



MARYLAND WORKFORCE DEVELOPMENT ASSOCIATION

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February 2006

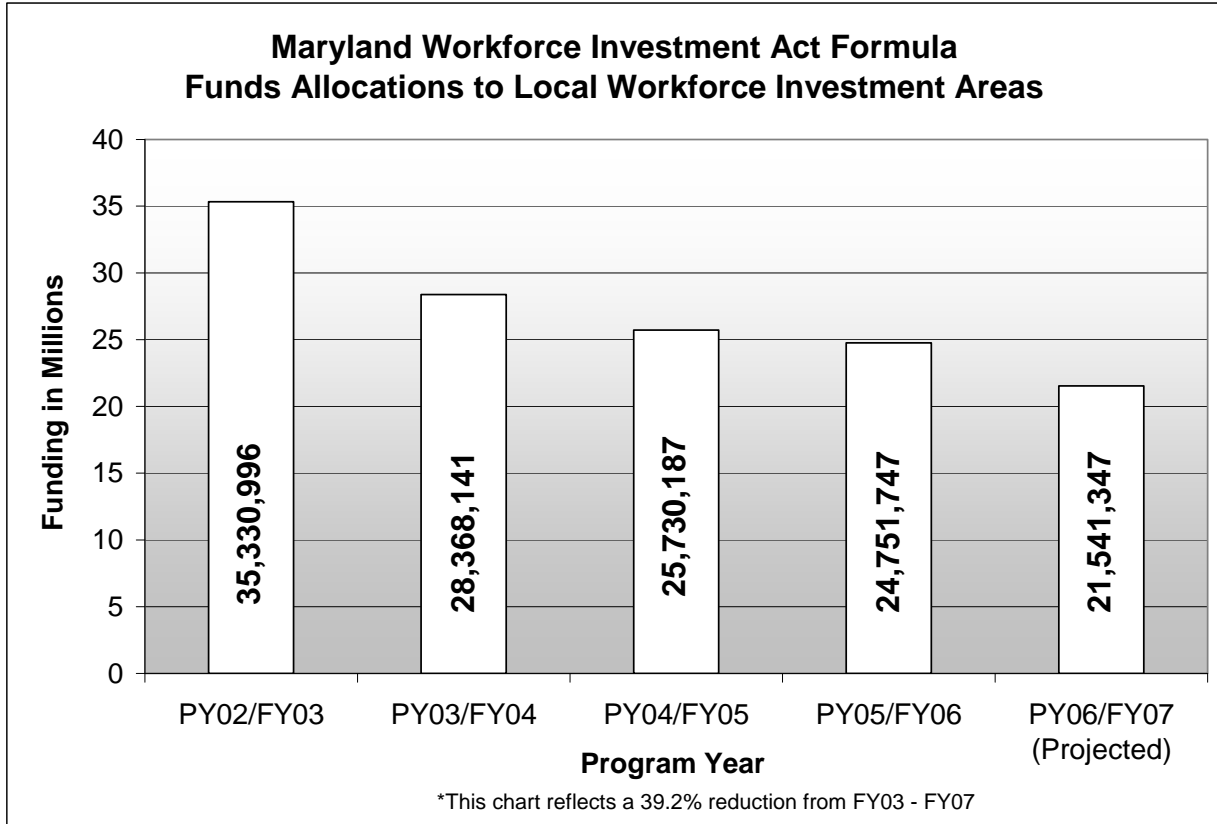
WHITE PAPER: MARYLAND'S WORKFORCE CRISIS

Former Congressman Steve Gunderson, one of the nation's top analysts of workforce trends and policies and the keynote speaker at the Maryland Workforce Development Association's (MWDA) October 2005 Share the Vision Awards Luncheon, warned of the challenges that the United States faces in building a competitive workforce in today's global economy. Discussing the "quiet crisis" that is emerging today in America – characterized by unprecedented labor and skills shortages, retirement without replacement, the erosion of our scientific and engineering base, and a growing population ill equipped to compete in the global economy – Gunderson urged Maryland's twelve workforce investment boards (WIBs) to strongly promote the need for increased training for the state's existing and emerging workforce.

Chief among the indicators of a state's economic vitality is its ability to generate and fill substantial employment opportunities. Maryland has one of the most well educated and highly trained workforces in the nation and enjoys relatively high wages and labor force participation when compared to other states. Nevertheless, building a continuous pipeline of qualified and skilled workers capable of filling the varied demands and expectations of our business sector is one of the major challenges that the state faces today. This challenge is all the more compelling for our state as a result of the Base Realignment and Closure (BRAC) process, which will bring tens of thousands of high growth jobs to Maryland over the next decade.

While the U.S. Department of Labor (DOL) was the principle investor in Maryland's locally administered workforce development system during the 1980s and 1990s, since 2000 Maryland's federal Workforce Investment Act allocations have dropped by as much as sixty-five percent in some areas of the state and by nearly forty percent overall since 2003, trends that are expected to continue and will probably accelerate.

Maryland's Voice for Workforce Development



The Maryland Workforce Development Association (MWDA), in partnership with Maryland’s twelve local workforce investment boards, believes that decreasing federal support for the state’s workforce development system presents the Governor’s Workforce Investment Board (GWIB) and its affiliate, the Department of Labor, Licensing and Regulation (DLLR), with an unprecedented opportunity to strengthen the state’s workforce investment system by securing state general funds to support targeted skills training in high-growth, high-demand occupations. A coalition of the directors of Maryland’s twelve workforce investment agencies, MWDA’s members oversee the state’s locally administered workforce delivery system and provide direction to its network of one-stop career centers. Part of the nation’s workforce investment system, which includes over three thousand one-stop career centers and six hundred and fifty business majority workforce investment boards, Maryland’s one-stops are the focal point for service delivery to both job seekers and the business community. Offering a broad menu of services ranging from labor market information to state of the art training, last year over 316,000 job seekers visited Maryland’s thirty-five one-stops. Closely linked to its one-stops are Maryland’s local workforce investment boards, which provide strategic direction to each local area’s workforce delivery system.

A June 2004 report released by the Governor’s Workforce Investment Board (GWIB) highlights the workforce crisis that Maryland is facing, noting that twenty percent of residents function at the lowest literacy levels, which places the state in the lower tier of U.S. adult literacy rates. According to the report, Maryland youth are not faring much better, with only forty to fifty percent of children in 3rd, 5th and 8th grades scoring at the satisfactory level in reading and writing. Calling for expanded investment in worker training, the authors of the report suggest that failure to produce the higher skills demanded by Maryland’s growth industries will significantly reduce its ability to

attract and retain industries that will propel the state's economy forward. In addition to the challenge of worker shortages across most industry sectors noted in the GWIB report, and as Congressman Gunderson observed in his remarks at the October 2005 Share the Vision event, Maryland must also build a pipeline of skilled workers to fill the thousands of vacancies that will result as its "baby boomer" generation retires in the coming years.

National data also confirm the need to increase public investments in the workforce delivery system. Forty-two percent of projected new job growth in the U.S. between now and 2010 will require some level of college education, degree and/or certification. Sixty-five percent of all American occupations now require specific skills. In stark contrast, employers today estimate that thirty percent of their current workforce and twenty-six percent of their new hires are deficient in basic skills, and seventy-five percent of American workers need to be retrained in order to retain their current jobs. Given these data, it is no surprise that the salary disparity between those with a college education and those without is on the increase, growing from fifty percent in 1980 to one hundred percent by 2003.

Maryland's ability to build and sustain a workforce that is responsive to the demands and challenges of a knowledge-based economy is tied directly to our economic growth. Our future rests on the strength of our business community, which in turn rests on the competitiveness of our workforce. Clearly Maryland can no longer rely on the federal government to provide all of the resources necessary to support our world class workforce development system. An ongoing investment of state funding in Maryland's one-stop workforce delivery system will contribute significantly to ensuring that Maryland's businesses have a pipeline of qualified and skilled workers from which to draw and will help to assure that our economy continues to grow and prosper.

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