

TIP Strategies

# RESTAG MEETING

February 1, 2012

# Agenda

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- Update
- Summary & discussion of revised Talent report
- Introduction of Economy report
- Outline of Strategy report
- RESTAG Input
- Next steps

# Recent activities

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- Updated EDD Board on January 4
- Submitted revised Talent report
- Drafted Economy report

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# Talent report discussion

# Objectives to understand

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- Which occupations are driving the local economy?
- How do those occupations relate to the region's industries?
- Is the region's training and education network aligned to support them?

# Revised approach

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- Used scoring system to identify high priority occupations
- Occupations aggregated into 9 major SOC groups
- Highlighted occupations that support multiple industries
- Eliminated directly linking talent clusters to industry clusters

# Major occupational groups

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- Management
- Business and finance
- Computers and mathematics
- Engineering and architecture
- Physical and life sciences
- Health practitioners
- Installation and repair
- Production
- Transportation-related

# Group chapter components

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- Employment distribution
- Employment trends
- Earnings & demographics
- Education & training
- Peer regions

# Main findings

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- Most high-growth occupations require some level of formal skills, training, or education.
- Critical occupations face potential future shortages due to:
  - ▣ Aging workforce
  - ▣ The ability of local educational institutions to keep pace with demand
  - ▣ New job growth
- Median wages for most occupations exceed national levels.

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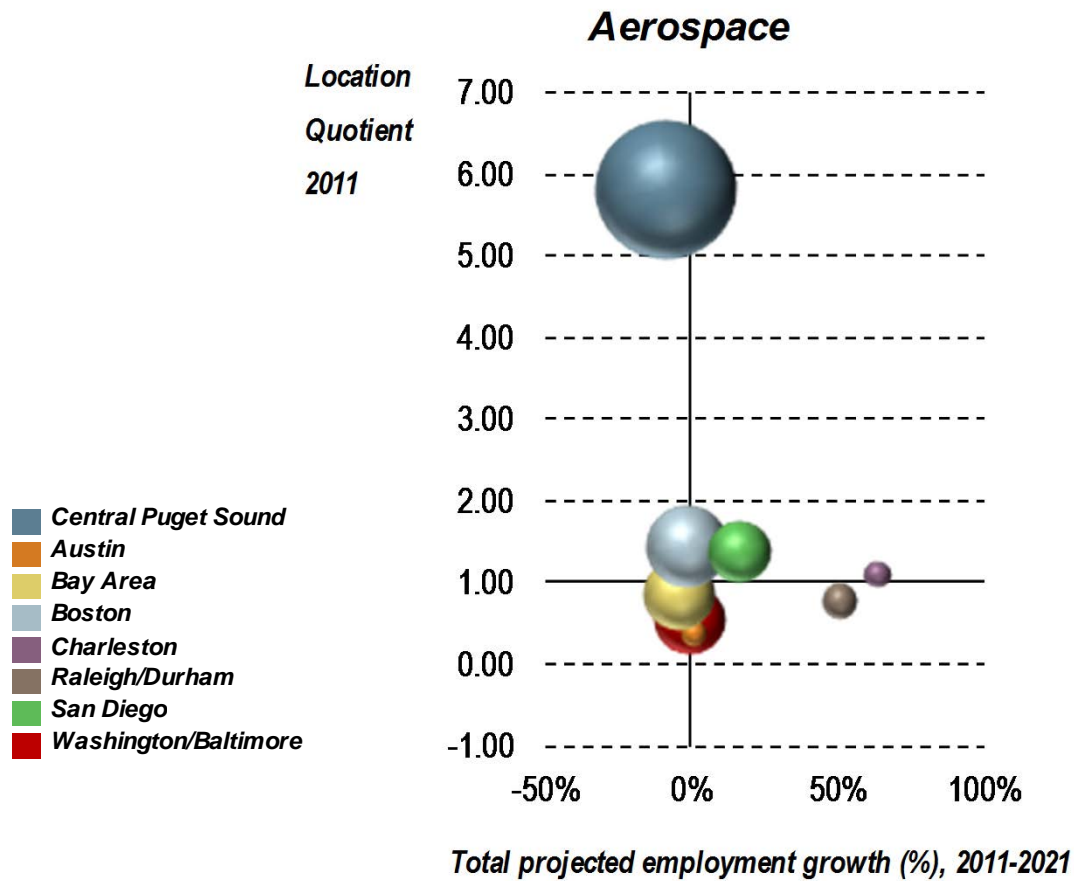
# Economy Report

# Report structure

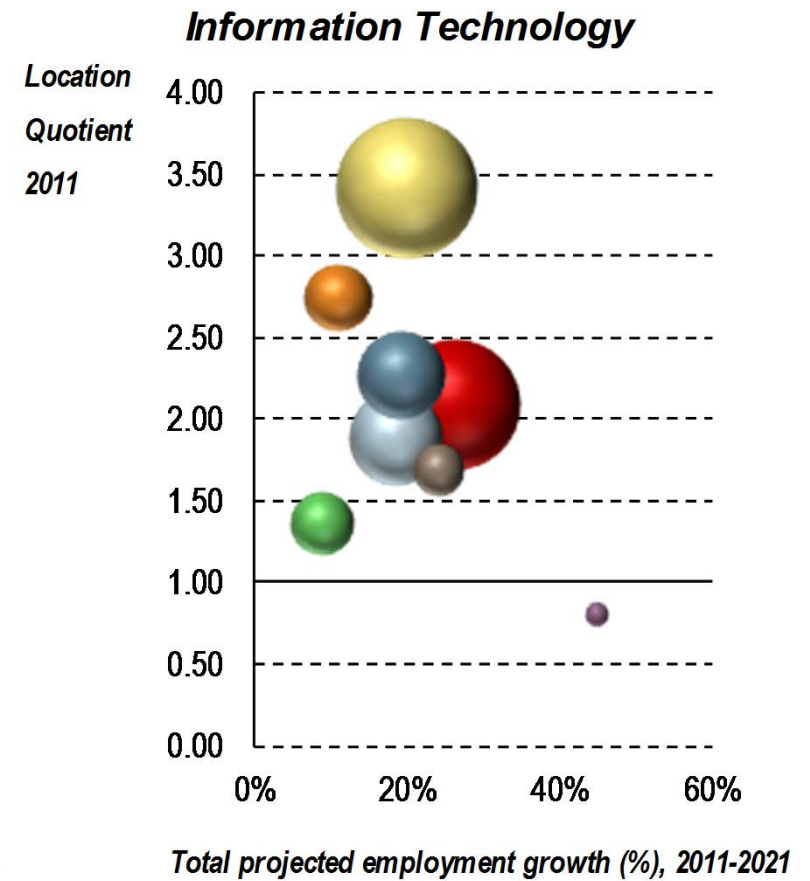
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- Organized around the working group topics:
  - ▣ Industry clusters (including Aerospace)
  - ▣ Higher education & workforce
  - ▣ Innovation & entrepreneurship
  - ▣ Infrastructure
  - ▣ Business climate

# Selected Industry Cluster Dynamics



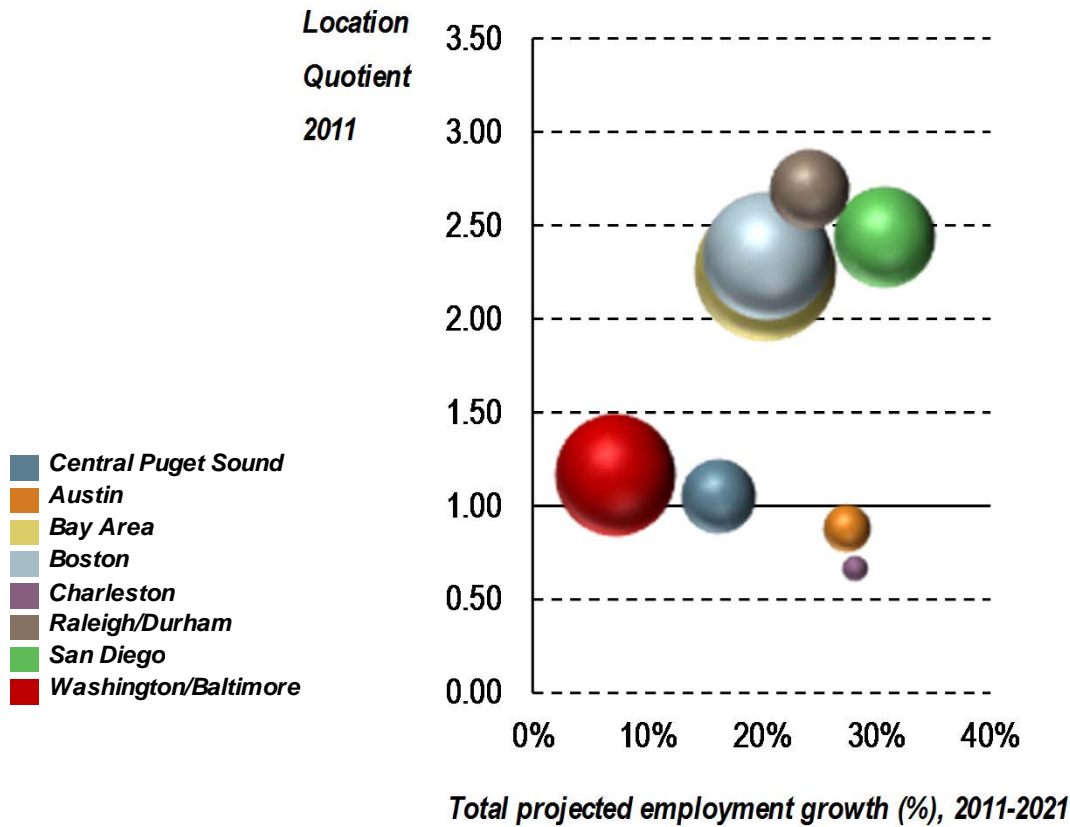
Note: Bubble size reflects relative employment level in 2011



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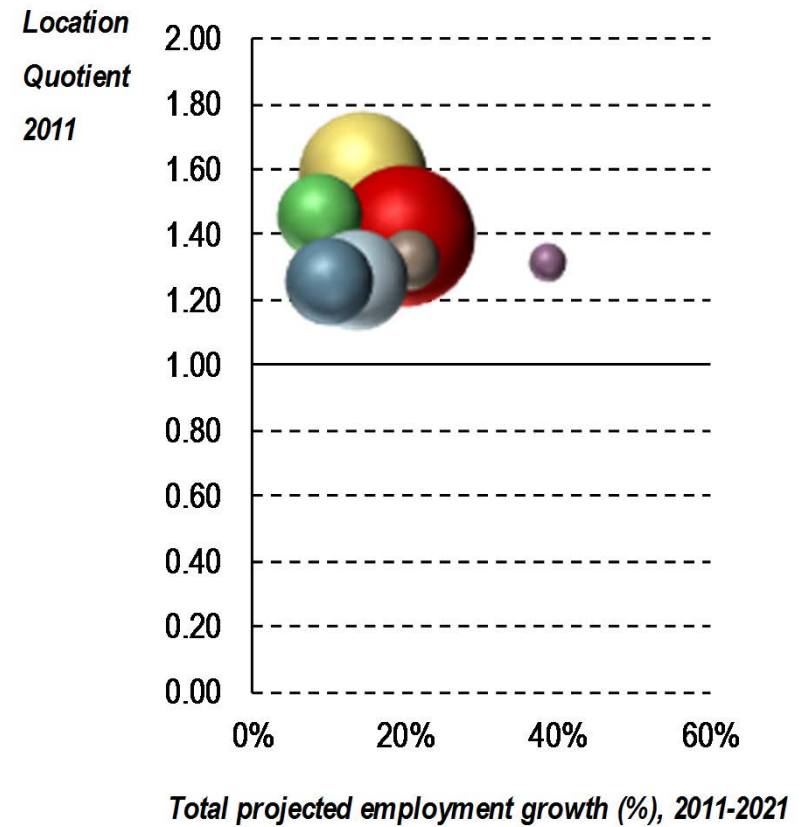
# Selected Industry Cluster Dynamics

## Life Science & Global Health



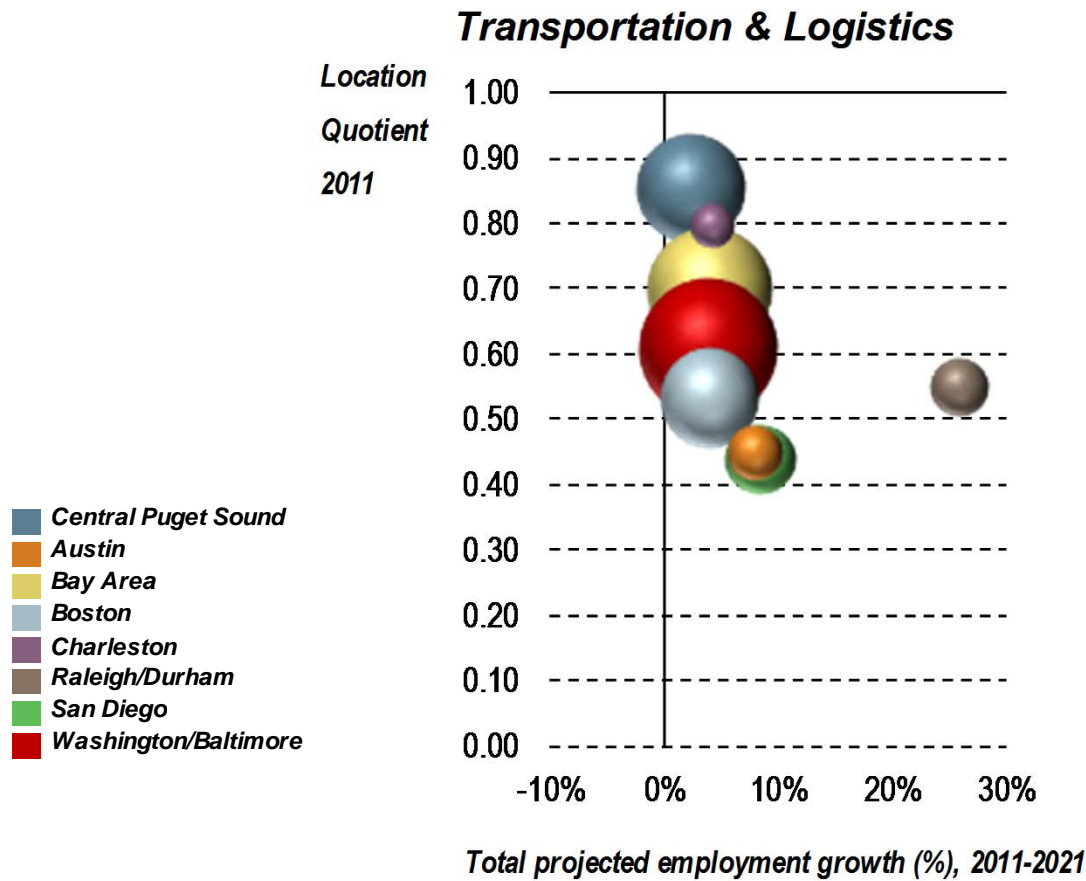
Note: Bubble size reflects relative employment level in 2011

## Clean Technology

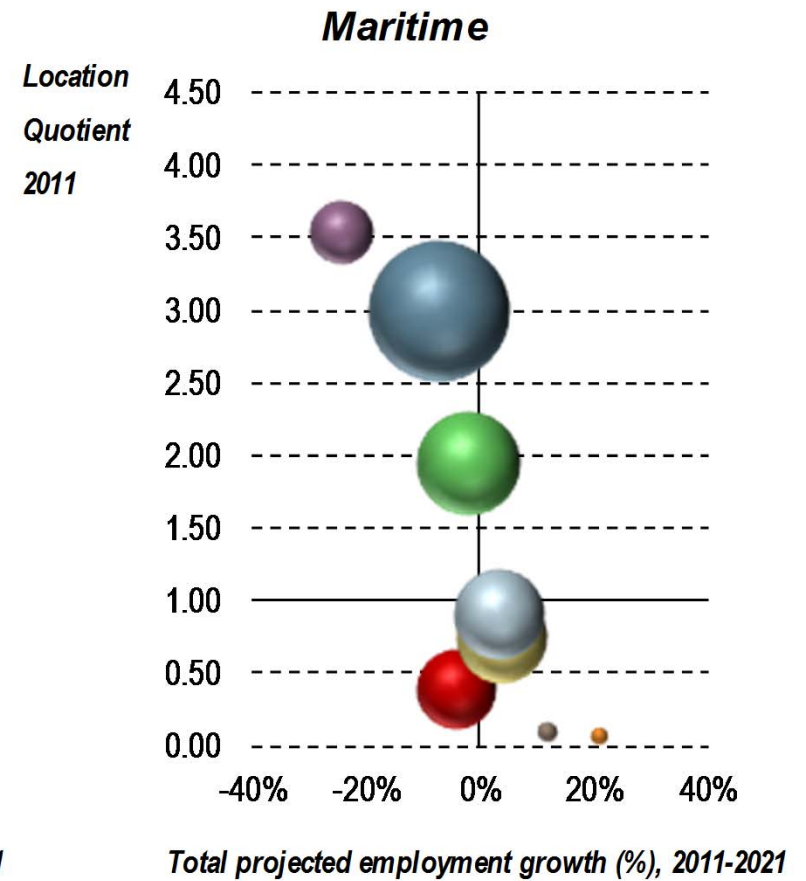


Note: Bubble size reflects relative employment level in 2011

# Selected Industry Cluster Dynamics



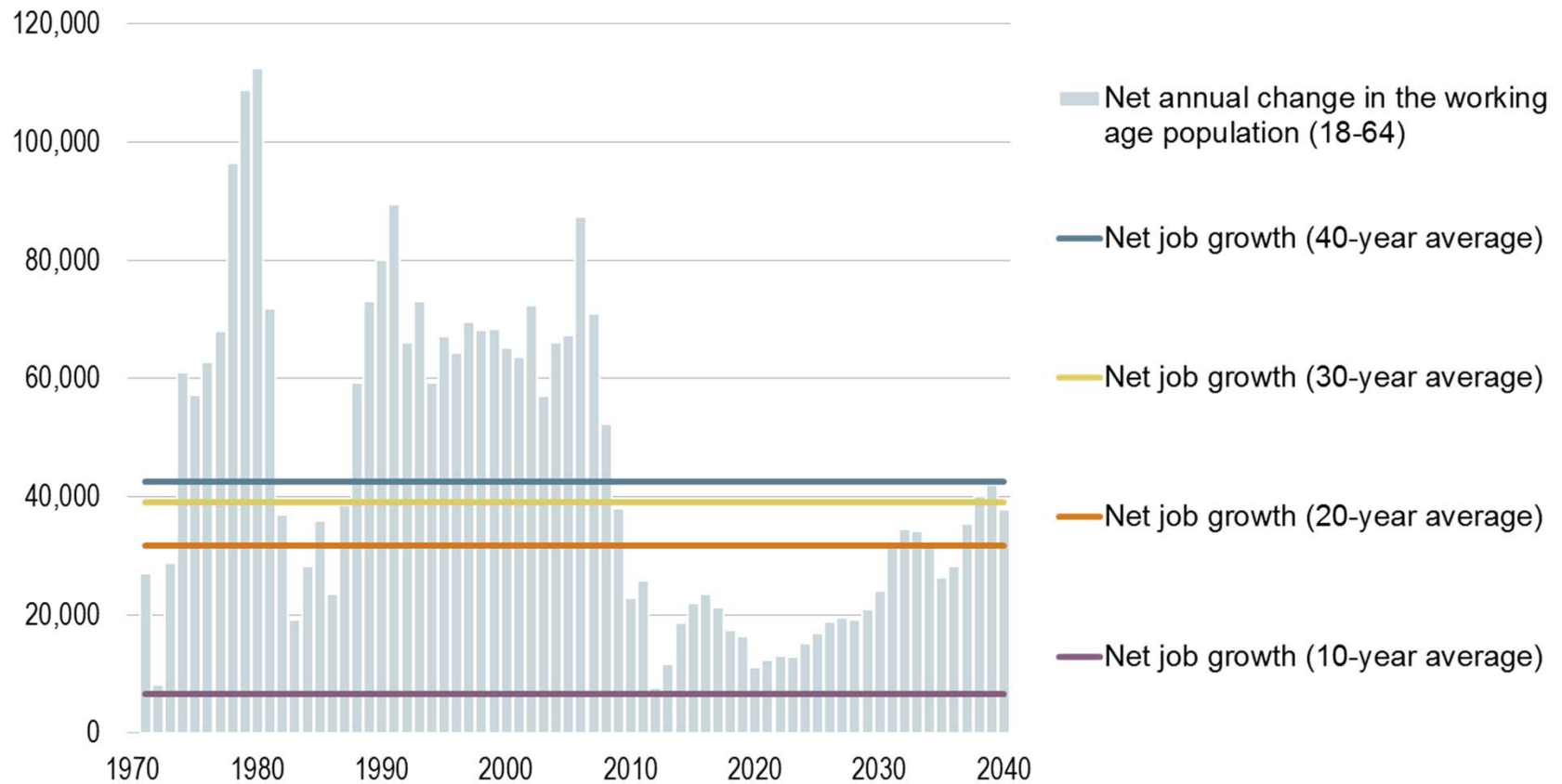
Note: Bubble size reflects relative employment level in 2011



Note: Bubble size reflects relative employment level in 2011

# New entrants to labor force may not match demand

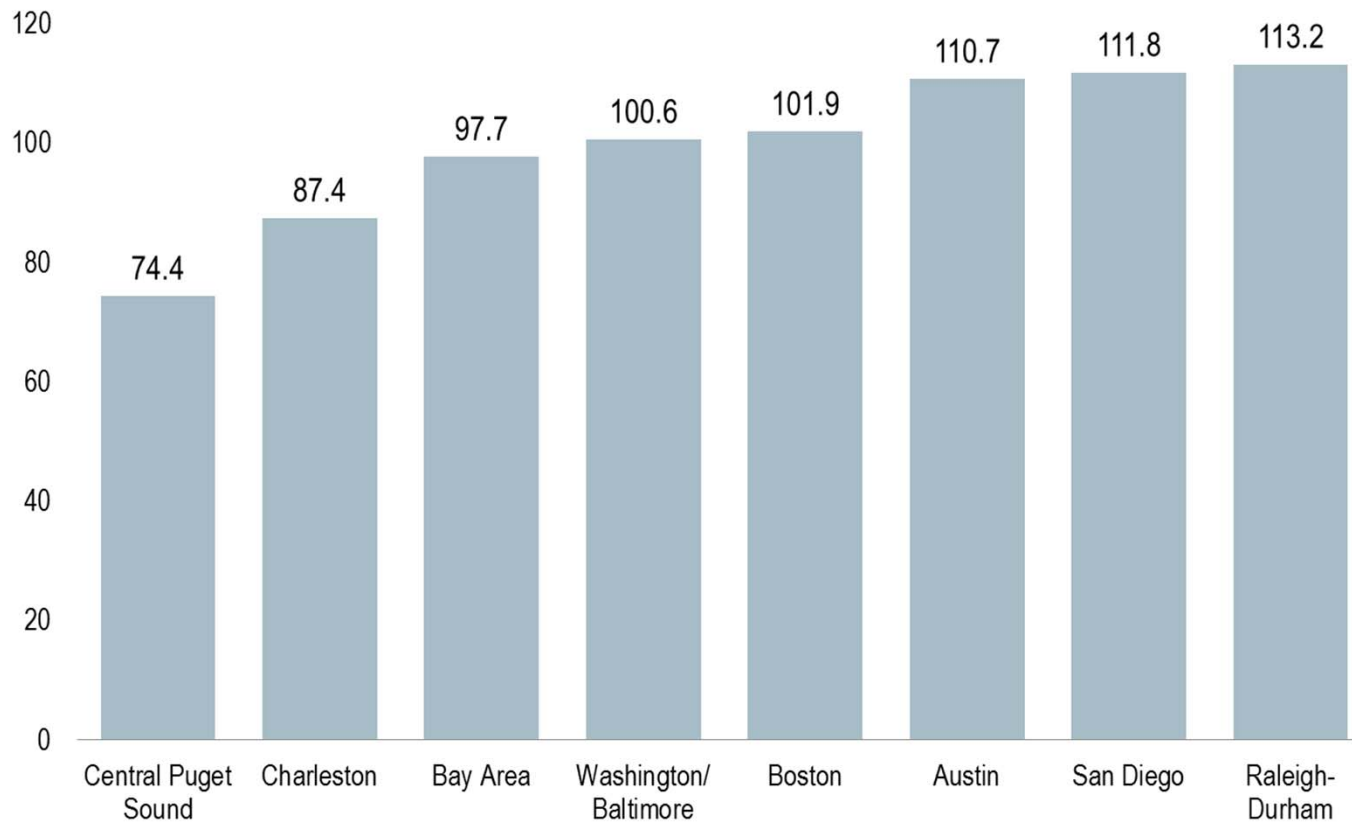
## Washington State's working-age (18-64) population growth compared to historical job growth



Sources: Washington State Office of Financial Management, Forecasting Division, Forecast of the State Population by Age and Sex, November 2011; U.S. Bureau of Labor Statistics, Current Employment Statistics

# College enrollment levels are lowest among peers

**College enrollment per 1000 pop for the population age 15+ years**

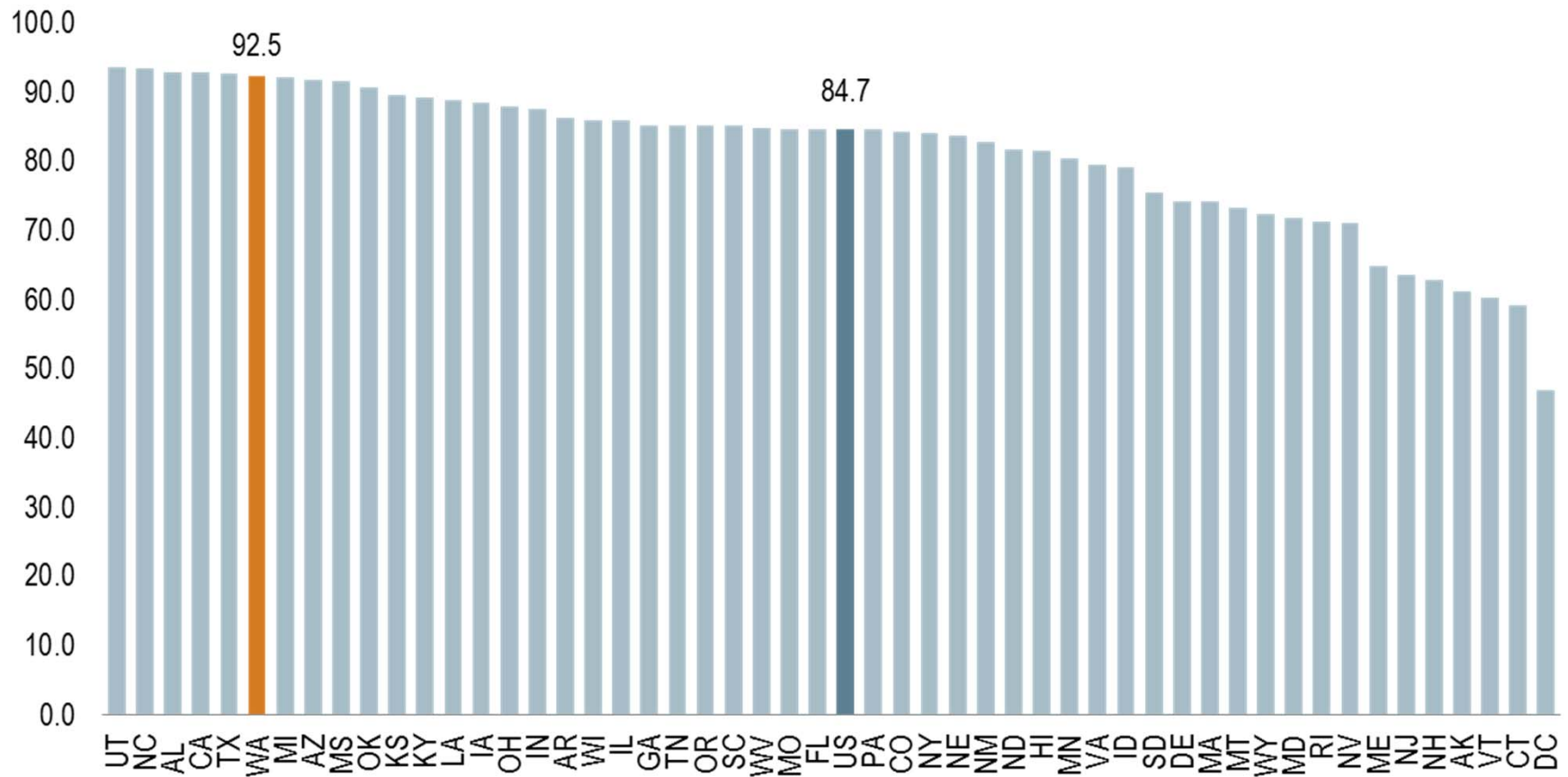


Source: US Census Bureau, American Community Survey, 1-year estimates; TIP Strategies.

Calculations were performed on the sum of Census Bureau estimates of enrollment for both public and private college and graduate schools. College enrollment includes college undergraduate years (freshman to senior); and “graduate or professional school (for example: medical, dental, or law school).

# In-state retention of college freshman

FALL 1992

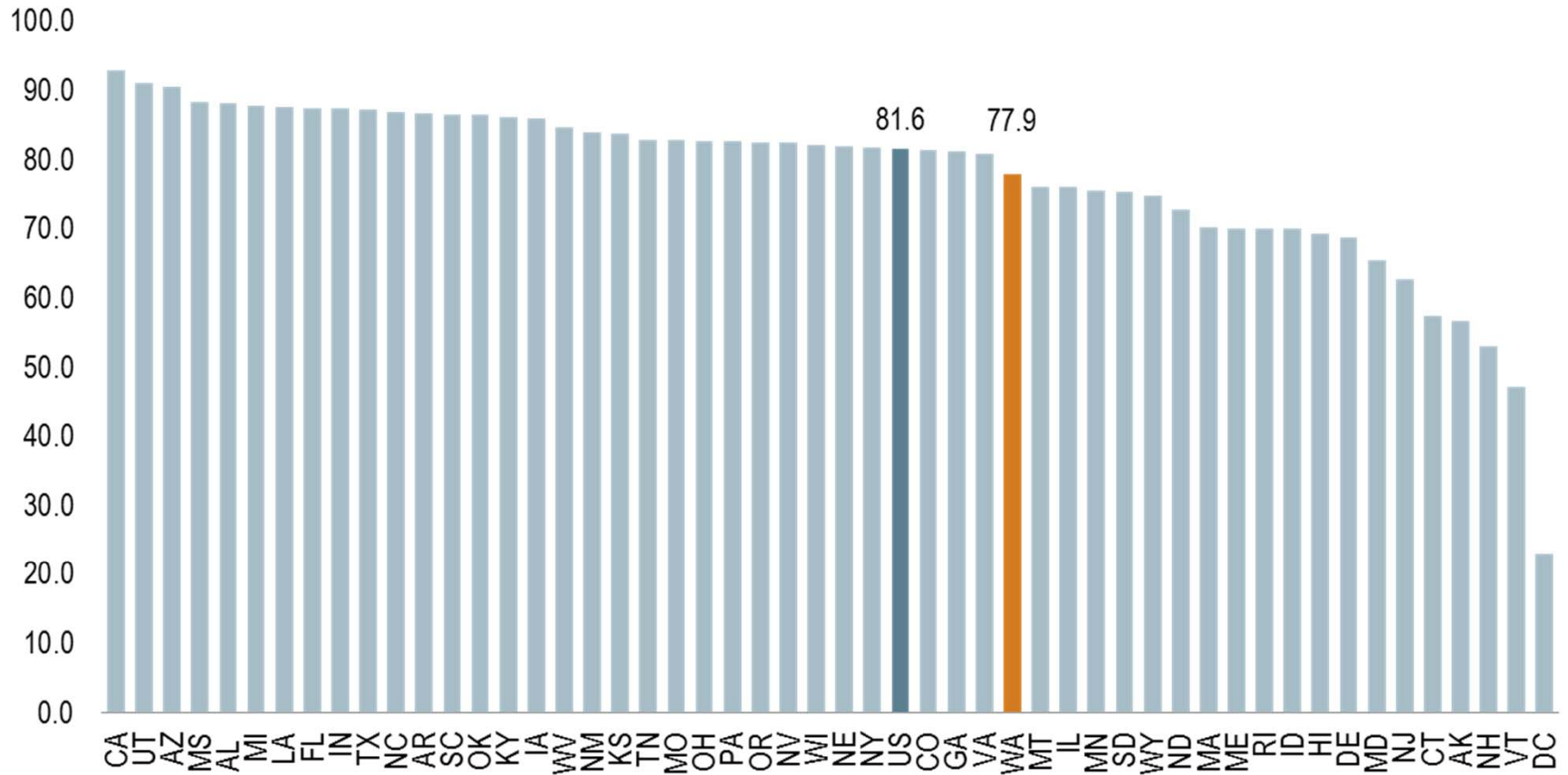


Source: National Center for Education Statistics, *America's Youth: Transitions to Adulthood* NCES 2012-026, December 2011 (Table 17a)

Note: In-state retention rate = total number of in-state residents enrolled in institutions within the state divided by the total number of state residents enrolled in institutions in any state

# In-state retention of college freshman

FALL 2008

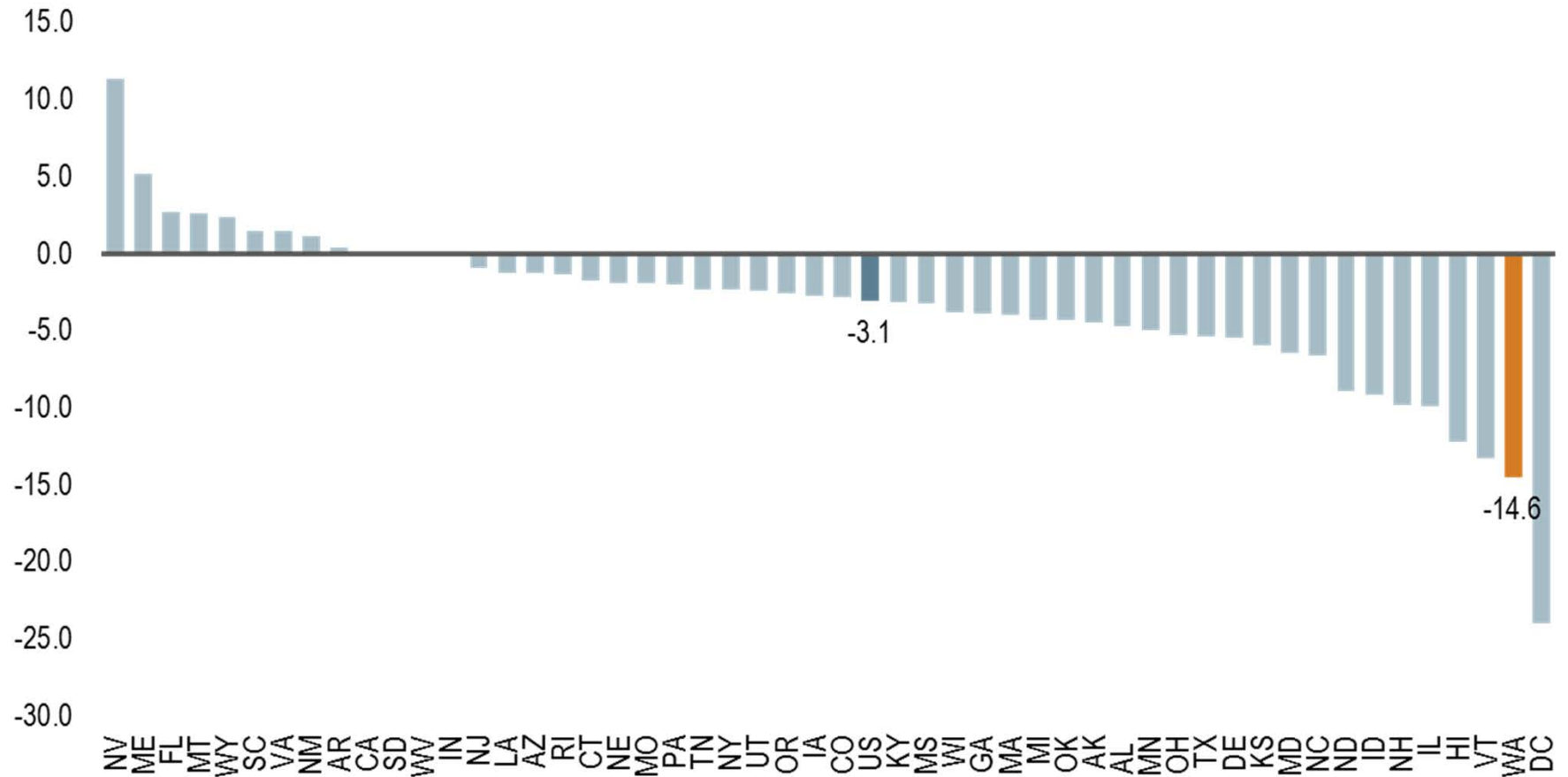


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# In-state retention of college freshman

## PCT. CHG 1992-2008



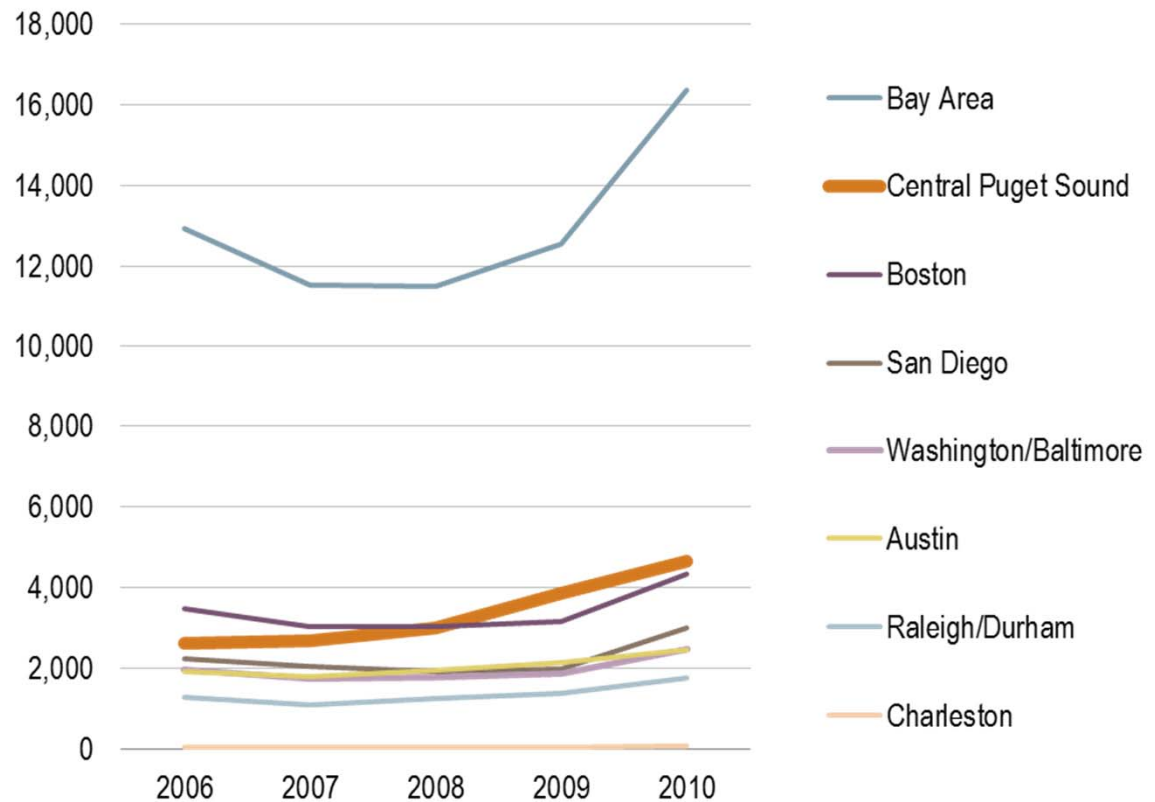
Source: National Center for Education Statistics, *America's Youth: Transitions to Adulthood* NCES 2012-026, December 2011 (Table 17a)

Note: In-state retention rate = total number of in-state residents enrolled in institutions within the state divided by the total number of state residents enrolled in institutions in any state

# Central Puget Sound compares favorably on patents (raw numbers)

With the exception of the Bay Area, the four-county region saw the highest number of patent filings in the latter half of the decade among peer regions.

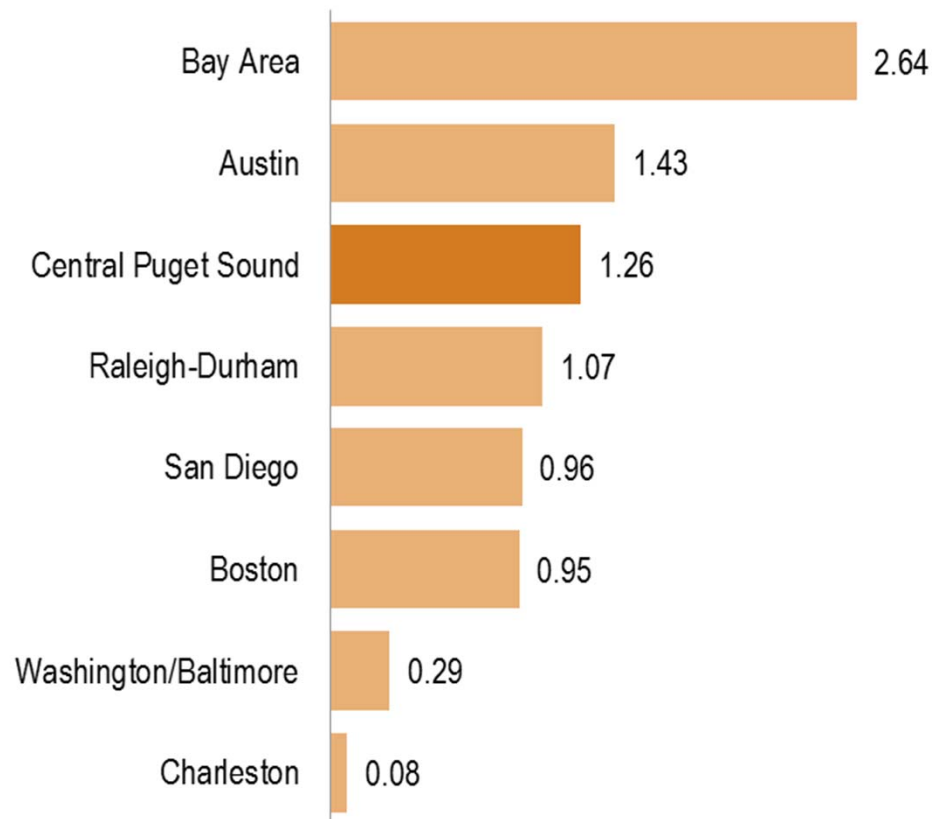
New utility patents filed by peer regions



Source: US Patent & Trademark Office (calendar year data)

# Central Puget Sound compares favorably on patents (per 1000 pop)

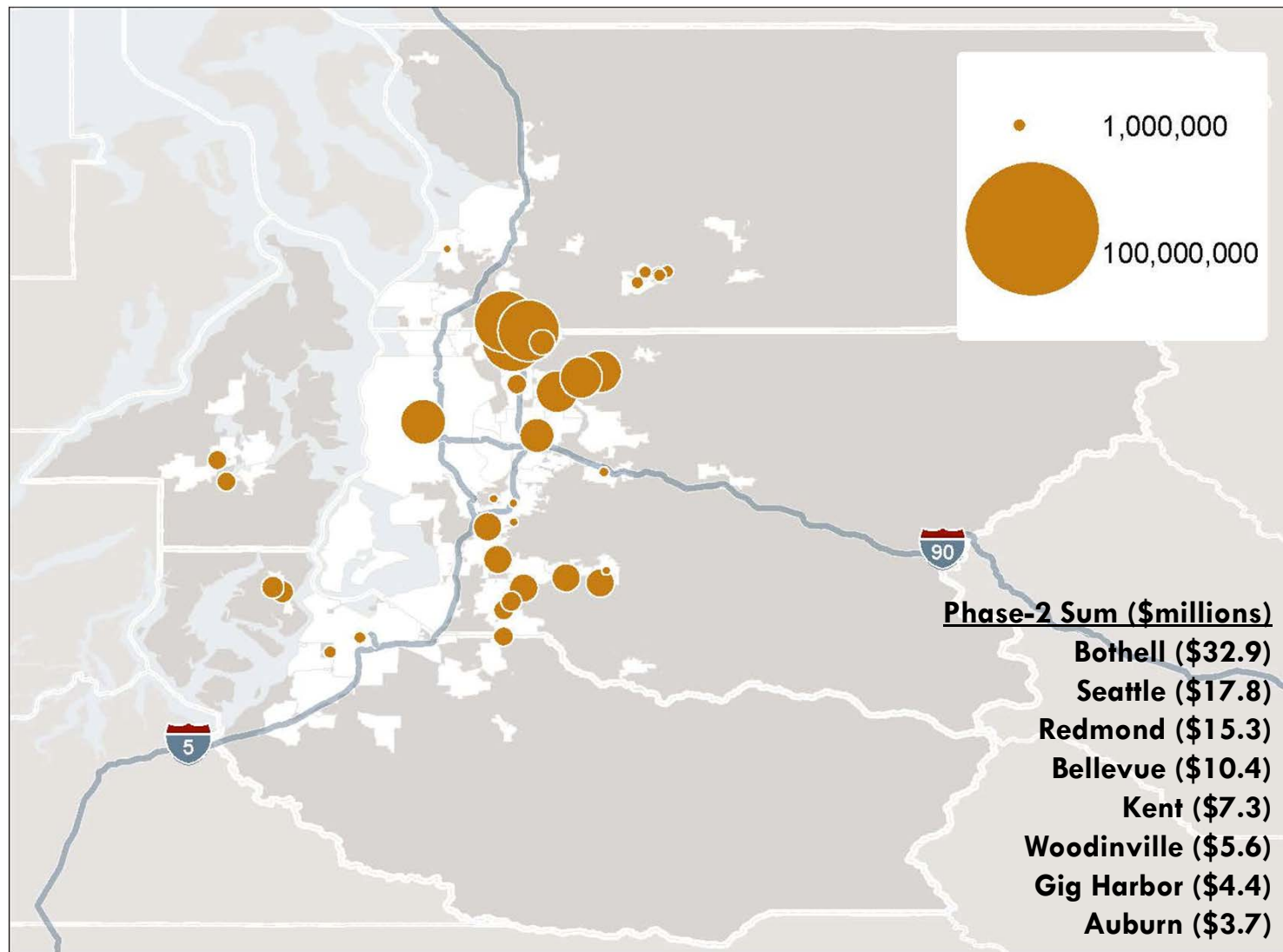
New utility patents per 1,000 population, 2010



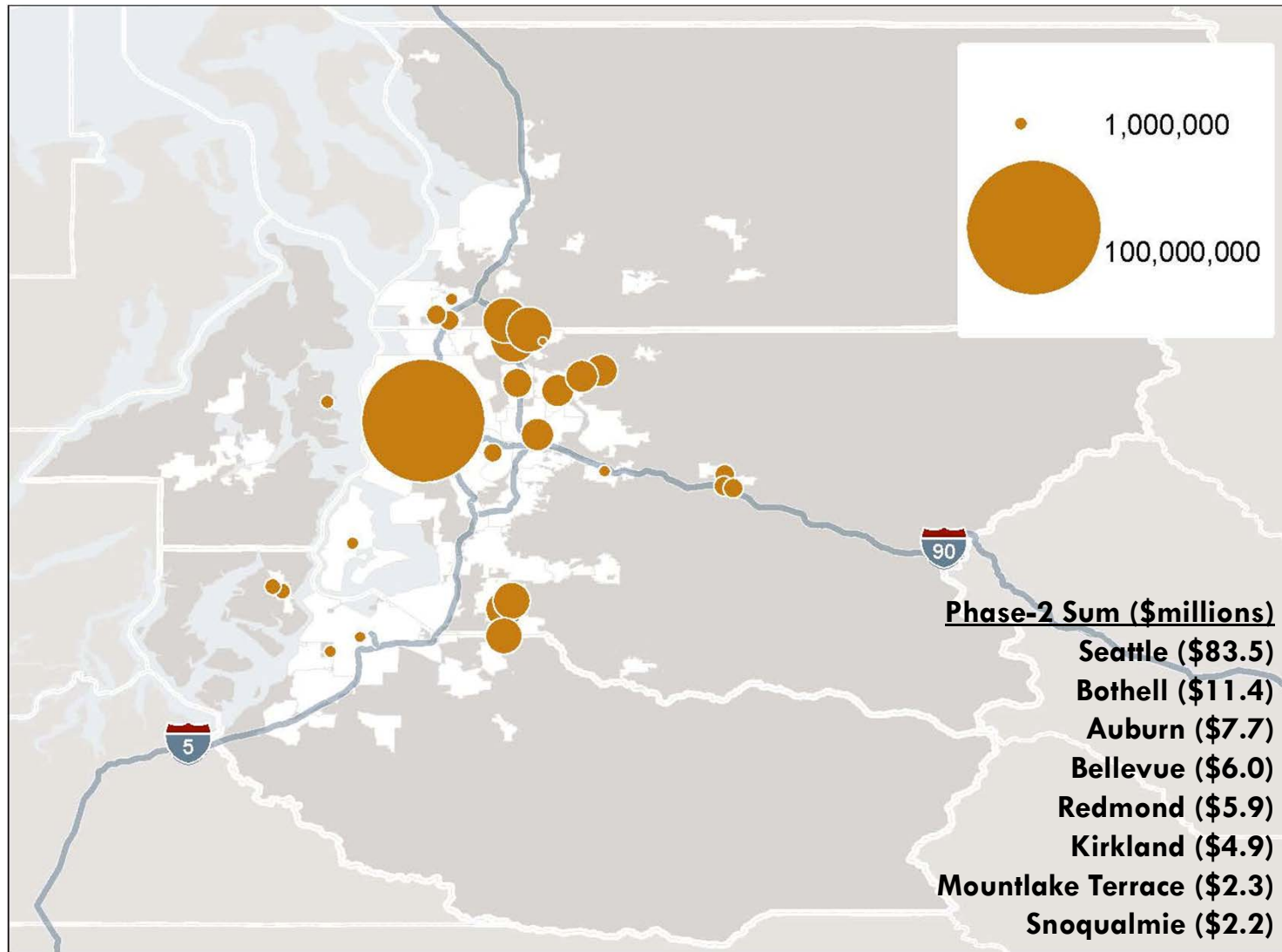
The region also measures up on a population-adjusted basis.

Source: US Patent & Trademark Office (calendar year data); American Community Survey, 1-year estimates of population; TIP Strategies

# Distribution of DOD SBIR/STTR Awards, 2001-2010

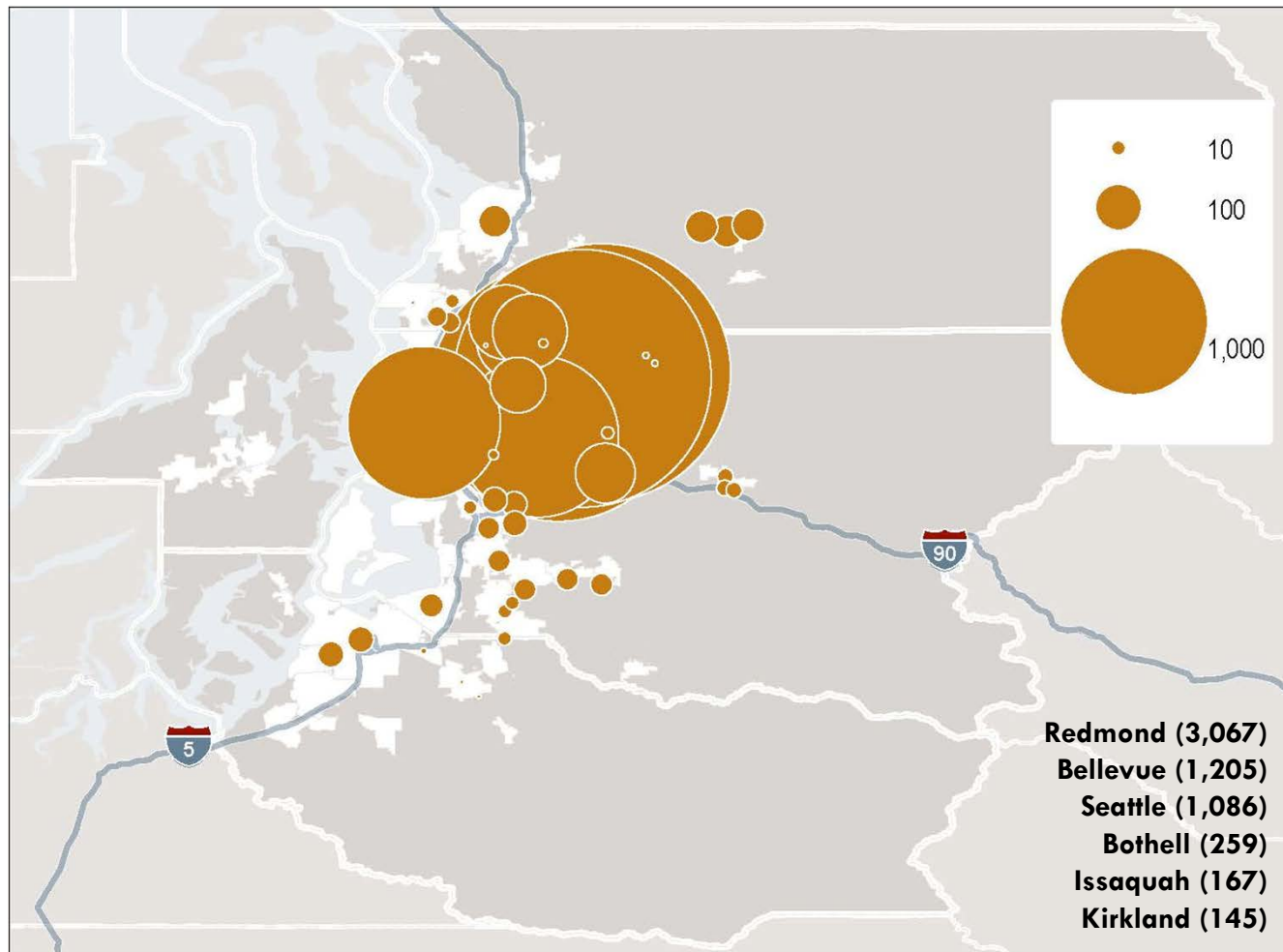


# Distribution of HHS SBIR/STTR Awards, 2001-2010



# Distribution of approved H1B visa applications, 2010

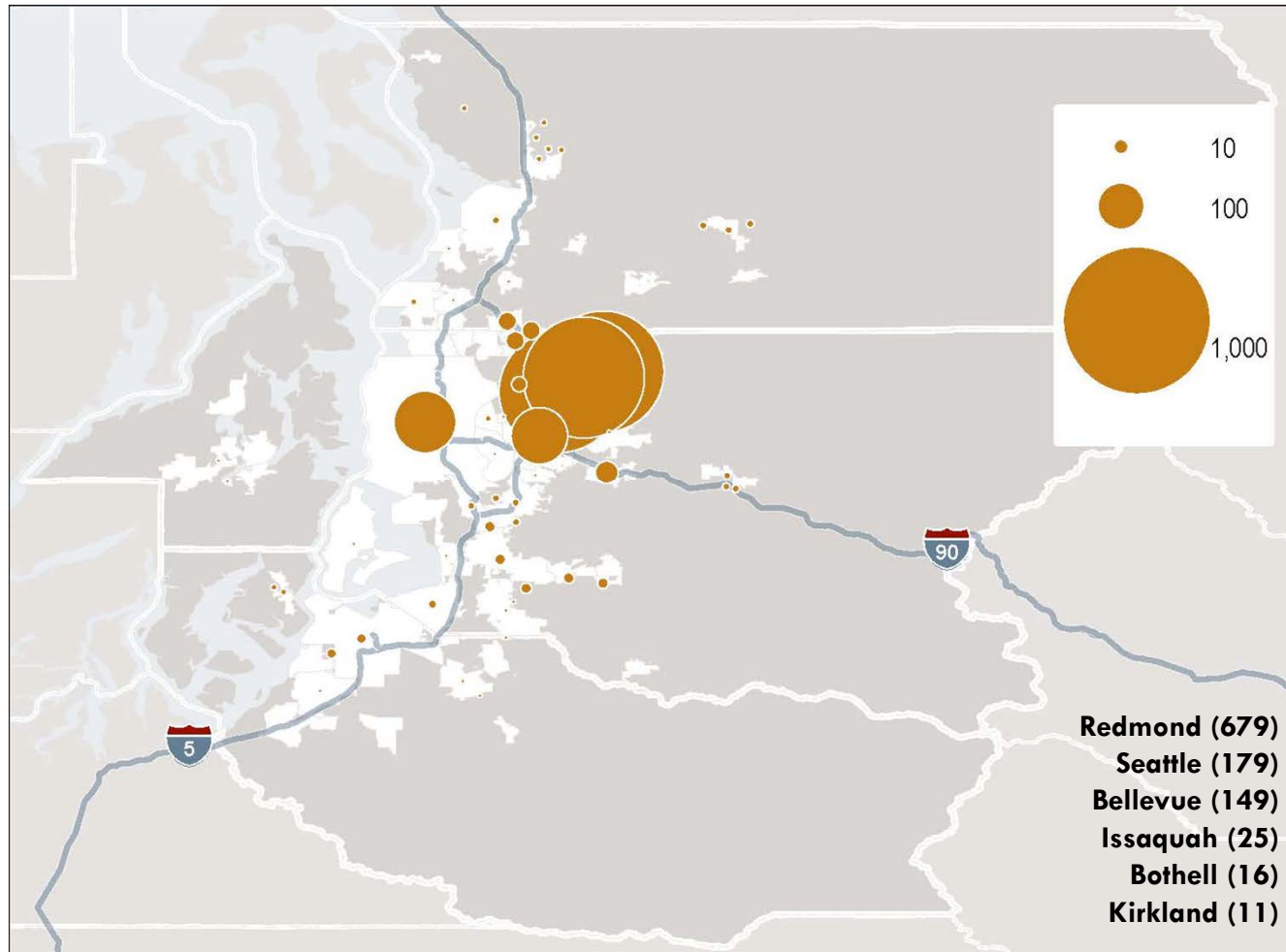
## Computer & IT related occupations



Source: US Department of Labor, Office of Foreign Labor Certification; TIP Strategies.

# Distribution of approved H1B visa applications, 2010

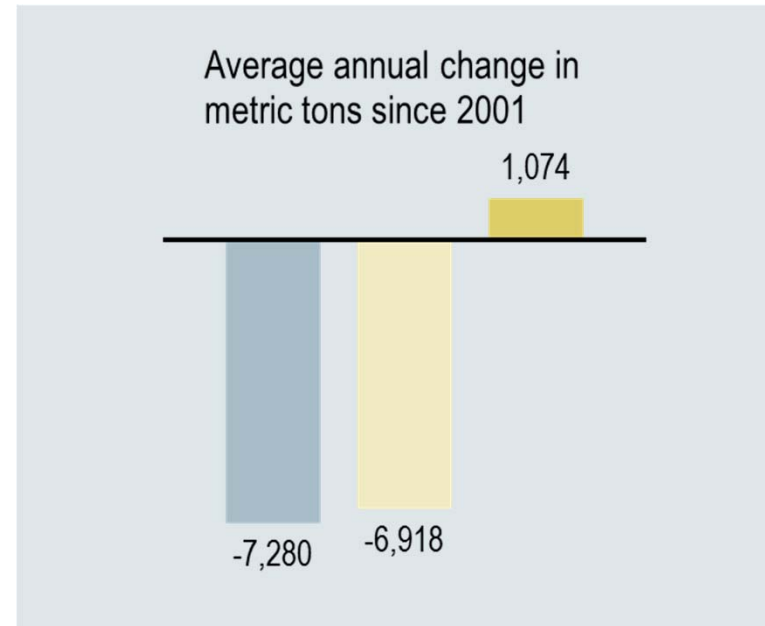
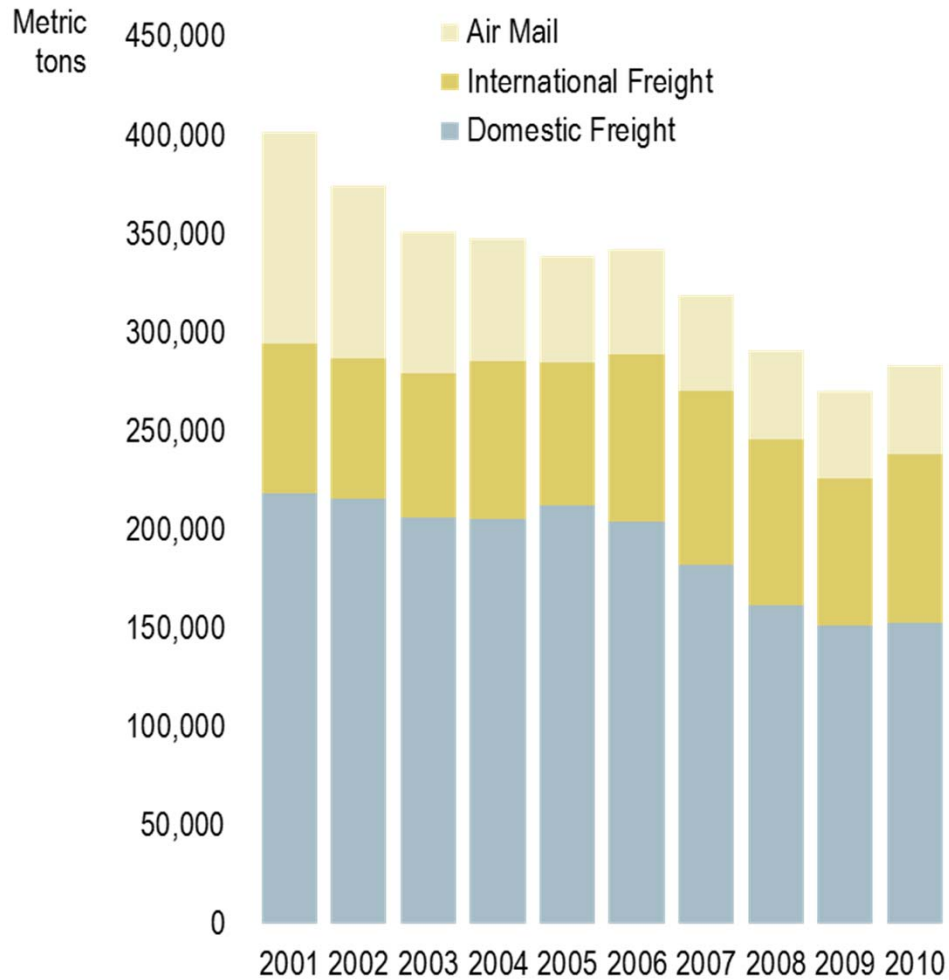
## Management Occupations



Source: US Department of Labor, Office of Foreign Labor Certification; TIP Strategies.

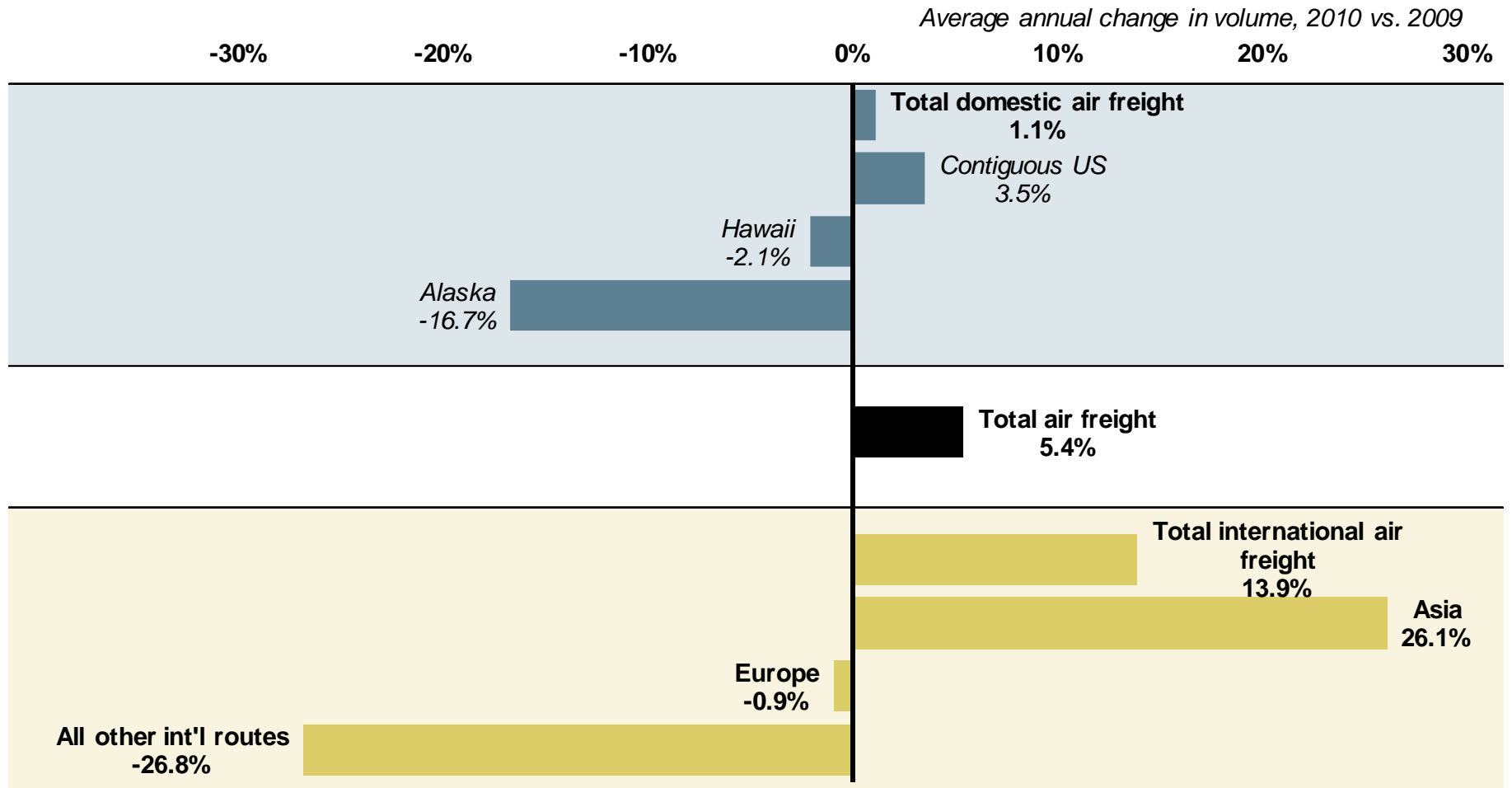
# Air Cargo Volumes at SeaTac

*in metric tons*



Source: 2010 Seattle-Tacoma International Airport Activity Report, p. 22.

# Change (%) in Air Cargo Volumes by Trade Route at SeaTac, 2010 vs. 2009



Source: 2010 Seattle-Tacoma International Airport Activity Report, p. 22.

# Comparative costs for office-using businesses

## Central Puget Sound = 100

Peer Region	CBD Class A Gross Rent US\$/SF/year	Top Corporate Tax Rate		Commercial Electricity Rate cents/kwh		
		National	State/Provincial			
<b>Puget Sound</b>	<b>100</b>	<b>100</b>	<b>WA (B&amp;O-service)</b>	<b>100</b>	<b>WA</b>	<b>100</b>
Austin	127	100	TX (franchise)	56	TX	120
Bay Area	125	100	CA	491	CA	219
Boston	154	100	MA	461	MA	195
			NH	472	NH	187
Charleston	98	100	SC	278	SC	128
Raleigh/Durham	73	100	NC	383	NC	113
San Diego	97	100	CA	491	CA	219
			DC	550	DC	170
Washington/Baltimore	186	100	MD	461	MD	153
			VA	333	VA	110
Randstad	103	71		0		—
Shanghai	138	71		0		—
Singapore	293	49		0		—
Tel Aviv	135	69		0		—
Vancouver	188	47	BC	556		—

Source: Colliers; CBRE; EMSI; Deloitte; Federation of Tax Administrators; CCH /Wolters Kluwer; and US Energy Information Administration; TIP Strategies

# Comparative costs for industrial businesses

Central Puget Sound = 100

Peer Region	Warehouse Prime Rent <i>US\$/SF/year</i>	Top Corporate Tax Rate		Industrial Electricity Rate <i>cents/kwh</i>		
		<i>National</i>	<i>State/Provincial</i>			
<b>Puget Sound</b>	<b>100</b>	<b>100</b>	<b>WA (B&amp;O-mfg/whls)</b>	<b>100</b>	<b>WA</b>	<b>100</b>
Austin	101	100	TX (franchise)	207	TX	162
Bay Area	99	100	CA	1826	CA	307
Boston	80	100	MA	1715	MA	345
			NH	1756	NH	309
Charleston	69	100	SC	1033	SC	159
Raleigh/Durham	65	100	NC	1426	NC	165
San Diego	137	100	CA	1826	CA	307
			DC	2045	DC	189
Washington/Baltimore	97	100	MD	1715	MD	230
			VA	1240	VA	171
Randstad	228	71		0		—
Shanghai	103	71		0		—
Singapore	332	49		0		—
Tel Aviv	201	69		0		—
Vancouver	137	47	BC	2066		—

Source: Colliers; CBRE; EMSI; Deloitte; Federation of Tax Administrators; CCH /Wolters Kluwer; and US Energy Information Administration; TIP Strategies

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# Discussion

# Next steps

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- Economy report
  - ▣ 2<sup>nd</sup> week of February
- Strategy report
  - ▣ End of February
- March 7 meeting to discuss Strategy report
- Incorporate feedback on reports



# THANK YOU

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