

The disconnect between skilled workers and employers is wider than ever, with access to affordable housing and childcare now among the top challenges preventing new commercial investment and job creation. Collaborative workforce ecosystems, like those in Work Ready Communities, are uniquely equipped to tackle these issues, according to Chad Chancellor of the Next Move Group. Chad examines two crucial elements to succeed in the post-pandemic reality of economic development - expanding the scope of workforce ecosystem collaboration and enhancing the role of work-based learning in skills-driven pathways.

Voices of Excellence and Resources for Episode 57



[Chad Chancellor, CEO](#)

[The Next Move Group](#)

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Transcript of Episode 57

[Opening Jingle and Music]

Chad: Ten years ago, we would do simple scoring for a workforce based on how many potential employees were there and what we were going to have to pay. We now are having to look at - is there housing for people? Is there childcare for people? This is literally something companies are scoring that we'll show you in just a minute.

Jasen: Discover how Work Ready Communities conquer new dimensions of workforce challenges as we hear from Chad Chancellor at the Next Move Group.

[Jingle] Let's get Ready for Work!

Jasen: Hello again! This is Jasen Jones from ACT. Thanks for joining us on episode 57. The disconnect between skilled workers and employers is wider than ever, with access to affordable housing and childcare now among the top challenges preventing new commercial investment and job creation. Collaborative workforce ecosystems, like those in Work Ready Communities, are uniquely equipped to tackle these issues, as we heard from Chad Chancellor of the Next Move Group and his keynote address at ACT's recent Workforce Summit.

Jasen: Chad examines two crucial elements to succeed in the post-pandemic reality of economic development - expanding the scope of workforce ecosystem collaboration and enhancing the role of work-based learning in skills-driven pathways. The show notes for episode 57 include Chad's slides if you want to follow on during his presentation.

Chad: I am so pleased to be here today because we really believe in what A.C.T. is doing with all of their work ready initiatives. We think that it's so important. I'm going to show you some statistics that are kind of scary, but I do that to show you how important this is when it comes to workforce.

So, this conference was in New Orleans a couple of years ago. How many of you came to that? Just a quick show of hands. So, some of you were there. Some of the stats I'm going to show you today we showed then and unfortunately, some of them have gotten worse when it comes to just the world wide state of workforce that we will show you. We started this company in 2014, and our real mission is to help small to mid-size communities and companies grow together. We do that several ways, one of which is site selection.

This is a project that we put in Greenville, South Carolina earlier this year, a battery manufacturing project, 500 jobs, \$500 million. And believe it or not, they will tell you one of the reasons they went there is Greenville, South Carolina has a program and I can't remember the exact name of it. They start exposing kids to engineering in the first grade. Now, obviously a kid can't be an engineer in the first grade, but they literally have a path where they start exposing them to that. This client probably didn't pick the best industrial park, probably didn't pick the place with the best incentives, but they would tell you that that stuck with them, that program that they had.

This is a project we put up in Ohio that the manufacturers and axles for Ford Company called Scheffler 650 job. So as we do these, we're really hearing what is important when it comes to workforce.

When we started this business ten years ago, we would do simple scoring for a workforce based on how many potential employees were there and what we're going to pay. We now are having to look at - is there housing for people? Is there childcare for people? This is literally something companies are scoring. They will show you in just a minute.

So why does all this matter? These are some of the scary statistics. But I maintain if the communities in the colleges and all that do this right, they're going to have a tremendous advantage.

This is an [Inc article that just recently ran](#) five biggest hurdles for CEOs. Number four was talent management and workforce issues. College enrollment is down and a lot of people think that's just because of the pandemic. But in fact, it's been going down since about 2010. So the more college enrollment goes down, obviously the more these skills credentials are going to be so, so important. This is what's scary to me. And this is a survey they did of - oh it didn't matter what type company. So you could be running a bank or a technology company or whatever. 75% of CEOs surveyed said they were not happy with college graduates that got hired within the last year.

Three quarters of them, I believe 65% or so, had let one go within the last 6 or 8 months. Their number one complaint, they say they can't focus. I guess, you know, you used to play on your phone and all, and I just don't know how to focus. So literally, we got to have training programs that teach people how to focus.

This is the peak time of 65 year old people retiring. So at the same time, we have less people going into the workforce. We now have more people retiring than ever. So 2024 is the peak of the baby boomers retiring. When you hear companies in your town complain that they can't get workers, they're probably telling the truth. And a lot of it's not your fault. It's simple demographics.

Employers worldwide expect a 20% turnover rate this year. This is worldwide. This is not United States. What we think about is that employers worldwide are expecting a 2,019% turnover rate this year. When you ask them what's the number one thing you can do to help us? It's employee up and reskilling, all of which can be done and assisted with what ACT is doing.

This is a small business graph. 50% roughly of small businesses have an unfilled job opening right now. You'll see that spike tremendously in COVID. But we're way, way higher than we've ever been. We need workforce programs not only for industries but for the restaurants. You know, for the small businesses out there.

Most people think the way out of this is apprenticeship programs. But when you think of apprenticeship programs, don't just think of the industry that has it. I mean, you need cooks, you need other folks in your communities. But this is a small business statistic. 89% of corporate executives say the way out of this is apprenticeship programs - on the job training that's paid. We're not talking free internships, you know, we're talking paid apprenticeship programs, whether you get them at 16, 18, 20, 22. It's obviously going to vary based on what they're doing in the medical field, technology industry, 42% say the reason they don't do it is it cost too much.

This is where really building an ecosystem like what ACT talks about works because you're going to have to have the city, the county, your college, your schools, your industries, and hospitals. Everybody's going to have to be a part of this in the communities that are going to win big, big projects - if you want them - because this is the number one incentive.

What we really appreciate - Novellas located in Baldwin County, Alabama – Bateman - that I think is 4000 jobs. The college president is here somewhere. He was featured earlier on the video. One of the reasons they went there was the ACT credential certifications. That is one of the reasons that they went there. We really believe what this is doing is giving businesses a way to find skilled job candidates that are mobile and can go everywhere.

Workforce now, you know, when I got in this business, it was all about can we give away land to get industry. How many of y'all are economic developers? I know we've got a handful of economic developers here. It was - how much electric power can we get? How much this can we get? Now, it is workforce.

This is an Area Development survey that came out last year. They survey site consultants and also corporate executives. You'll see both of them had labor as number one or number two, either the cost of labor or the availability of skilled labor.

So people say all the time - Chad, assuming I have workforce, what the companies want or how can I convince them that I have it and what companies want those three things? How can you help them recruit people?

How are you going to screen folks for? And how are you going to train them? That's what they want to know. And a lot of what you're hearing here will go in one of these buckets - all this conference, if you think about it. But this is how companies want to hear it.

Many of these, you know, a lot of our clients are overseas, so they don't know all of our terminology. They don't know all these accurately. And so whatever programs you have, you think about how - can we help companies recruit, screen and train. So, some states and literally have hiring fairs. Louisiana - a lot of the college football game that everybody's crazy over – a lot of that's made in Baton Rouge. In order to get EA Sports down there, LSU in the state of Louisiana literally put a program together to have hiring fairs just for them.

Everything you're hearing here can help screen. So, if I get 100 applicants, and how can I figure out which tend to look at, obviously all of the National Career Readiness Certificates can do that. And then when it comes to training on the job, training is what most of the people want. There's federal money that can pay for that.

Also, apprenticeship programs - and we're seeing a lot of people do train-the-trainer programs. We've got a client in Germany. The state is paying somebody to fly over there for six months, look at their process, write a total manual for them in English - to come back over here and train people here - and the state's paying for it.

I put this up here. Alabama does a great job with this. So does Georgia, Louisiana and more states. But these are a couple of testimonials from Tuscaloosa and Mobile. You'll see details Go-Alabama industrial development training. So that's the Alabama program. But if you notice in the quote what they said is they help to screen people, schedule and participate in interviews. That's what they said. And then on the bottom when you'll see they said they have this training, people recruit, advertise and do skills upgrades. That's what companies want to hear. We got some Kentuckians back there. We went in Kentucky to two towns.

In the first town we had 17 people come in for the workforce meeting. All were different agencies, and our client was from overseas, so they really didn't hear what they were saying. All of them were exactly right, but they didn't grasp what they were saying.

We went to another town down the road. They had one lady come in. She was an HR manager in the town. She said, here's how you hire people here - and that's what left the impression. So, think about that as you're out there doing this.

This is the Manufacturing Institute. These are the certification programs that they most like to see the skills credentials. You'll see ACT is right up there at the top of it. So all the stuff you're hearing today will translate right to them. Our clients want to see folks who can communicate, problem solve critical skills, analytical skills, math skills, and all of the soft skills. Now that's what they want to see.

Housing and childcare after Covid has become a huge, huge issue to the point that we literally now are scoring communities based on - do they have childcare centers for industries?

Many, many companies are now putting childcare facilities in their facility. The Amazon distribution centers in some places are doing this. Centers are doing it. That may be the way out of this in the long run. In many, many places, childcare is now \$12,000 a kid. You know, if you're not making \$100,000, can you afford that?

Housing is also a big deal. That is my starter house right there. I bought that in 2004 - Mobile, Alabama. I paid \$120,000. It's a duplex. There's nothing nice about it. And I thought it was great. I loved it. Look at that. I should have carpet. I can rent that thing right now for \$1,500 a month! Maybe I can help the Saints a little more! But anyway, you know, people can't afford starter houses. I mean, that was my story. It's no way I can afford that now.

When I worked for the Mobile Chamber of Commerce, I paid me \$40,000. When I got my start. My niece is a teacher. Her husband works for their transportation department. They can't afford a house! So we now have to consider housing and childcare and our workforce programs. Here you can see the cost of childcare is going to \$12,000! A kid!

I spoke at the Florida Chamber event 2 or 3 months ago. This is the number one issue in Florida that the Chamber of Commerce is attacking. They're trying to get state incentives for. There's a community out west that started a childcare incubator. You know how you have a small business incubators? They started it just for childcare because it is such a problem.

One of the things that we are now doing here is actually showing people, this is how many houses you need. If y'all come back we got a booth that they will show you this amazing show - you need this many houses at this price range, whether you like it or not. Now the city and the county can then use that to make decisions on wastewater and permitting and so forth, and developers can use it.

But we can look at jobs that are coming into a community and really what they need. And then we're also doing childcare studies where we can figure out how many childcare seats you need by looking at population data, birth rates, so on and so forth. We do this for industry, so we also offer it now to communities. Come by and look at it. When I started, all we cared about was water and sewer and gas and the whole college. And now we're having to think about all of this one way or the other. We also do executive searches. We're hiring a workforce development director right now in Murray County, Tennessee. So those are other ways that we can help you.

Those stats that look scary - the way out of this is - you got to build an ecosystem in your community that includes everybody. That's the way out of it. And that's exactly what ACT is working to do, and that's why we appreciate it so much. Thank you.

Jasen: We appreciate Chad's insights on how Work Ready Communities adapt to ever-evolving dimensions of the workforce supply chain and the challenges they present to local leaders. If you're new to Work Ready Communities, we invite you to connect with our team at ACT.

Skills-driven career navigation aligns talent supply to employer demand. Integrating the leadership and resources of ecosystem partnerships across workforce and economic development, employers, and all levels of educators is how Work Ready Communities align for success. You can learn more at [work ready communities dot org](https://workreadycommunities.org) and we look forward to connecting with you directly to seize these opportunities. You'll find this link and the slides Chad referenced in our show notes for episode 57.

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