

51 Transforming Minnesota's Workforce From Disparity to Prosperity



Erin Olson, Senior Director of Strategic Research at Real Time Talent, discusses Minnesota's educational and workforce challenges. Despite high labor force participation, Minnesota faces significant racial disparities in education and a talent shortage. Olson highlights the misalignment between workforce needs and available skills, emphasizing the need for strategic partnerships and data-driven solutions. Real Time Talent collaborates with various stakeholders to address these issues, focusing on aligning educational programs with labor market demands and promoting equity. Olson underscores the importance of employer involvement in creating effective workforce solutions and the role of Real Time Talent in facilitating these efforts.

Voices of Excellence on Episode 51



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Transcript of Episode 51

[Opening Jingle and Music]

Erin Olson: If every unemployed individual found work, we would still have at least 4 million open jobs in our country. In Minnesota, we have about 55 unemployed workers per 100 job openings. This shortage is probably much larger and harder to measure now because it's a moving target every single year with disparities and this misalignment, doing nothing is not an option. If we keep doing what we've been doing, nothing's going to change.

Jasen: Erin Olson of Real Time Talent joins us for episode 51 with the journey to transform Minnesota's workforce from disparity to prosperity,

[Jingle]

Jasen: Hi. This is Jasen Jones and thanks for listening to Ready for Work from ACT. Even with labor force participation on the rise, there are significant racial disparities in education and a growing talent shortage. Erin Olson of Real Time Talent walks us through the mismatch between what employers need and the skills people have, and why strategic partnerships and data-driven solutions are key to closing these gaps.

In this FRED Talk presentation from the ACT Workforce Summit in Nashville, Erin highlights how important it is for employers to get involved and how Real Time Talent is helping make that happen.

Erin: I come from Minnesota. You may have heard of our great schools. Our high test scores are high labor force participation rate and are great environment for business. But you may not have heard that in 2019, the US Department of Education named us worst in the nation in terms of our racial disparities. And in 2022, WalletHub said, we were second worst for our disparities between, white students and our black students in terms of test scores, graduation rates and college completions, among other things.

We also have a significant talent shortage, of course, nationally, if every unemployed individual found work, we would still have at least 4 million open jobs in our country. In Minnesota, we have about 55 unemployed workers per 100 job openings. And although our high labor force participation rates and our resilient economy are diverse, economy really does good things for business.

We see that that is slowing in 2022. Census Bureau data shows that we had a drop of about 6.2% in new business applications in Minnesota. So, something is shifting, and we hear persistently that it's not just that we don't have enough people, we don't have enough bodies. We also have this persistent misalignment of the skills that talent need and what's needed in our workforce for today and tomorrow.

And that shows up in a lot of different ways. Ask any employer in Minnesota and probably in your states as well, and they'll tell you that this exists and nationally. Boston Consulting Group estimates that about 1.3 billion people worldwide are affected by this talent shortage and that it incurs a 6% annual tax on our global economy based on lost productivity. In the United States, about 30 to 35% of our workforce is affected by the skills gap.

In 2022, my organization, Real Time Talent, did a study to look at this skill gap, our talent shortage and our disparities to understand how short will we actually be? And at that point in 2020, we determined that we would fall short about 317,000 workers are needed to keep pace with our historic rate of GDP growth through 2025. Okay. Five short years, right. And so, we thought, well, okay, great. Numbers are good. But what can we actually do about it. And we found that about one third of this shortage, we could do something about if we eliminated disparities completely, of employment and education various and ethnicity by gender by age.

If we were able to reverse some of the trends of young people and older people exiting our workforce and get better about getting long term unemployed and dislocated workers back on the job faster, we could solve for about a third of that. The other two thirds is our talent shortage, our true talent shortage. The people problem of how do we attract more talent to Minnesota to do that work and also think differently using automation and other ways of doing work with fewer people. So both our reality.

317,000 people in five short years, that is a dramatic change. And as we've seen, the declining business outputs and overall economic impacts, you know, this shortage is probably much larger and harder to measure now because it's a moving target every single year with disparities and this misalignment, doing nothing is not an option. If we keep doing what we've been doing, nothing's going to change.

And so Real Time Talent is a unique organization. We are an employer led public, private collaborative that uses research and engagement, bringing data to the table to ensure that our workforce and education ecosystem is more effective and efficient. And the charge to align our state's workforce is a huge one. It's not something that a little spunky organization of four people can do alone and so we don't try.

We have amazing strategic partners. We have an amazing board that does the hard work every single day. And we are that partner that sits with them to help translate across these silos of experience and silos of our systems. And in our work we prioritize people, community, data and outcomes. By doing this, we've seen a shift toward programs that more, and more clearly reflect our local needs and more effectively reflect the communities in Minnesota.

So, for all of our research, consultation and facilitation work, we utilize an engagement prioritization matrix that I think makes us stand apart. We are strategic, sustainable and substantial in what we seek to impact. Those impacts need to be measurable as well. We also seek to utilize multiple data sources or ways of knowing what we know, not just the data on the page, not just the numbers, but what does that look like at the community level? What do employers actually say? What do our community members say? What are students talking about?

We don't want to serve a single client. We want to make sure that whatever we do has applicability across our workforce partners, nonprofit organizations, higher education, K-12, current tech ed, all of the above. And that at the end of the day, it's advancing equity in our communities.

So let me tell you a little bit of the specifics about what we're doing. That's a lot of great theory, a great strategy. But on the ground, that is different with every single partner that we engage with. So in our Arrowhead region, the north east part of our state, the Northeast Higher Education District approached us wanting to do a labor market supply demand study to see like, hey, how well aligned are the programs at our six college campuses across the region?

We're thinking of doing something a little different. So, we took a look at the labor market demand, information on what was trending, what the future of work look like, brought industry leaders together to vet and validate that information and did a deep dive look at their programs and where they were located across the different campuses. It resulted in a merger of Northeast Higher Education District into one college, Minnesota North, with five college campuses across the region, plus virtual and hybrid options, better aligned to local needs, what employers said they wanted.

We've also worked at the University of Minnesota Crookston to develop next gen agriculture and next gen badge programming, specifically aimed at supporting individuals in Greater Minnesota that have some experience with post-secondary education. But we're not successful in obtaining a degree. And so, these are uniquely cultivated, targeting specific high wage living wage - you know, so at least \$45,000 in higher - occupations that will set on a path to gainful employment and completion of a four year degree successfully.

Another area of our work that's a bit different than the two examples I gave you is called Data Tool Support Services. And so, one other piece that makes us a little unique is we're not about building a research portfolio, consulting with individual partners. Our ultimate goal is to ensure that we have data champions across our education and workforce system that people know how to read data and how to use it.

And so, we get actual data tools that I use for my analysis and my research team uses daily into the hands of people in career navigation, in program evaluation and development. We get it into their hands and then we train them. Right now, we have about 100 active data users plus their teams. So, we estimate about 900 folks are using these tools on a regular basis, representing 55 different organizations across our state with the full range from American partnership to our whole Minnesota State College and University system And so that creates a community of practice as well that crosses typical silos and boundaries.

We've supported the development of about one third of our Perkins current tech ed consortia, comprehensive local needs assessments with, the perfect Perkins five requirements. So that is, everything from the analysis and interpretation of student performance data, program size, scope and quality evaluation and alignment to the labor market, and then connection of those initiatives, to WIOA, other types of work that need to be so deeply connected to one another as that neutral third-party partner.

We can help connect those dots and build capacity where so many Perkins coordinators are struggling to do the work in the classroom to support their students. We can step in with the data expertise to help advise. And so, across all this work, we implement with a unique, facilitated approach that brings local industry leaders and community leaders to vet and validate the information.

It's not enough to write a report. It's not enough to deliver that and say that we've got alignment. Now we need to know what's on the ground and at the local level, at the zip code level, in those individual communities, what are the needs and what will it look like? And it's not only about hearing from employers what jobs, credentials, certifications they need, but understanding how they want to and our best able to engage with our education systems so that it's not a single employer with a single relationship to a district, but that we are building systems and networks so that there's more impact and influence and coordination across our state.

We believe that employers really hold the key to driving changes that create welcoming work environments for all, and they hold the key to the jobs. Right? And so, they should hold a central position in all of this work. And so, for that reason, in 2019, Real Time Talent became certified to deliver talent pipeline management, which is a facilitation model from the US Chamber Foundation, which is authentically employer led.

It brings employers together with a shared talent pain point to determine what their collective demand is, align their hiring requirements so that they can have a more unified and clear voice. I think often in education, in workforce, we tend to think, oh, employers know what they're doing, they've got it covered and I can tell you they do not always have their ducks in a row in their own organization.

They certainly are not talking to each other. And so through this process, we can get the employer side organized to help identify those business policies, hiring practices and processes so that they can reach their own goals and understand where they sit in the ecosystem. We can't continue this process of poaching talent from one another. It's not sustainable.

And so, by co-designing those solutions as a group of employers and inviting in talent providers, colleges, universities, community-based organizations, we are the land of 10,000 nonprofit organizations in Minnesota, all doing great work on their own. So how can we get smarter about delivering that value? So, I'll give you one example before I close out here and pass it to the next speaker.

In 2019, nine long term care providers came together to try to solve for their painful shortage of nursing assistant talent. To their surprise, when they sat down together, they realized that they had significant differences and what they considered their must-have minimum qualifications. And so, by sharing their own approaches, each employer was able to validate and modify their own requirements to truly represent the skills and competencies that were needed to do the work.

Another key from these conversations is that together, they realized that they were spending an average of \$11,500 per hire per person in the door just to get them in the door, hired on, trained up. And they had almost 100% turnover across the board, across all their organizations for these nursing assistants and so through this process, they were able to make more informed decisions about how to redirect that expense to their preferred training partners into the pockets of their future employees to change the wage on this historically very low wage job and think more critically about how to ensure that this is not the job where someone is stuck and sticking for years, but that they're invested in that individual's long term career path because they built relationships and co-designed those solutions with the talent providers in their community. So, what we're looking at now is that this co-design process will bring about 100 additional nursing assistants to five employer payrolls when fully implemented in its pilot stage, and that's underway today.

Thank you so much for your time.

Jasen: We extend our thanks to Erin Olson for her informative FRED Talk at the ACT Workforce Summit in Nashville. Our next ACT Workforce Summit happens in Atlanta's vibrant and popular Mid Town district, October 2nd, 3rd, and 4th. When you go to register at [act dot org slash workforce summit](https://act.org/workforce-summit), you'll see the full lineup of workshops, plenary sessions, and two big evening networking events. We hope to see you in Mid Town Atlanta for a showcase of the best and brightest of the workforce ecosystem.

[Podcast Closing and Jingle] Thanks for listening to Ready for Work, from A C T, your partner in Workforce Solutions and Work Ready Communities. [Subscribe in your favorite app, or learn more at A C T dot org, slash, ready for work podcast.](#)