



**VBSR Testimony to House Commerce
H. 852 Workforce Education and Training**

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Vermont Businesses for Social Responsibility is a statewide business association with over 1000 members--large and small from a variety of business types. Our members generate \$4 billion in revenue annually and employ 15% of the state's workforce.

Attracting and retaining a high quality workforce is critical to running a successful and sustainable business. The state has an important role to play in facilitating coordination between the educational and training providers, employers, and current and future employees. To deploy the resources already within the system, in the most effective way, will take a re-commitment to priority setting based on current and accurate data. With such limited funding available, we also welcome scrutiny and accountability for how limited state dollars are utilized. **We believe that talented and hardworking people are one of Vermont's greatest assets. We need to build on this strength as a key advantage to doing business in Vermont**

To help inform you in your policy making, we recently surveyed our business members and would like to report on some of the information related to hiring, workforce, and training.

When we asked businesses what they viewed as the greatest obstacles to the success of their businesses, 50% reported that retaining/attracting a skilled workforce was **not** an obstacle and about 30% reported it was an obstacle. While other factors were reported to be greater obstacles (health care, the availability of affordable housing, accessible and affordable childcare, public transportation infrastructure, telecom infrastructure), many of the comments cited these other factors as also being a barrier to attracting the needed workforce (e.g. "hard to attract talented people because the cost of housing in VT is too high). So the ability to attract talented people may be because the candidates do not have the skills or talent, and it can also be because talented people are not finding those jobs attractive for a variety of reasons (wages, benefits, workplace culture, etc.).

On the other hand, when asked what is the greatest contributor to the success of their businesses 54% cited the ability to attract and retain a skilled

workforce as a contributor (and 26% said workforce was not a contributor to their success). Only 3 things were identified as greater contributors: Vermont quality of life, Vermont brand, networking and peer support. Again, we can infer that those other factors, like quality of life, can help businesses attract and retain skilled and talented people.

So we find mixed results and some inconsistency regarding workforce development needs for different job types and different employers. When we asked “are you having difficulty finding qualified candidates when you have vacant positions”? 31% answered “yes” and 40% answered “no” (30% were N/A). We still have important work to do to ensure that all businesses can find skilled people to work those jobs.

We also have to decrease the gap between educators and training providers and employers. We too often hear from businesses that schools and training programs are not graduating people with the necessary skills, and from trainers and educators that they are not getting the needed information from the business community to design and develop the appropriate programs. Addressing this gap is an important program priority.

Based on this information, and on the anecdotal comments on the next page, we would ask that when you are setting priorities for workforce development and developing workforce development plans, you ensure that dollars are being directed to where they are most needed based on good data, and in a open and transparent manner. We need to be responsive and nimble to the changing needs of employers and the workforce and we need a cohesive integrated system for workforce development.

We support H. 852.

In particular, we support the duties of the state workforce investment board as outlined on page 17. We need to “utilize data to ensure that State workforce development activities are aligned with the current and future job opportunities and the specific training credentials needed to achieve employment in those jobs” and “utilize data to ensure that activities are aligned with the workforce education and training needs of the available workforce”. We also very much support increasing the public engagement process and the constructive feedback that will be obtained.

We are also supportive of the updates to the Vermont Training Program eligibility criteria. While the emphasis is on new jobs, it also accommodates skill development and up-training for incumbent employees and gives the Agency needed flexibility.

Thank you for your work on this effort, it will most certainly result in increased program efficiency and effectiveness.

VBSR SURVEY COMMENTS- JAN 2014

- *The general market has been thin and the inexperienced hires have been long to develop, sometimes not developing after a long training period.*
- *After running a business for 12 years in Vermont, I can say we have never had trouble finding competent and honest employees. There are lots of hard working, educated people in Vermont who are eager to find long term employment where they are treated fairly and paid a livable wage.*
- *Hard work turns a lot of people away.*
- *In past situations in education, nonprofits, and small business, I seldom to never had trouble finding qualified candidates in the local talent pool.*
- *It can be challenging to find qualified candidates for our specialized positions (e.g., engineers); this is less of a problem for other professional/administrative positions.*
- *Most of our hires are for entry-level, unskilled production positions. We find some lack basic math skills and / or with a poor work ethic.*
- *In most cases we cannot attract qualified candidates from out of state due to high cost of living and limited ability to increase compensation.*
- *Hard to understand the apparent lack of jobs when it is difficult to find qualified employees willing to work. Generalization, but it seems true.*
- *We depend on local teenagers and young women to assist our B & B business. The busy social life of teenagers has increased significantly in the last decade, making it harder for those who think they want a job, to find time to work. Also teenagers arrive at work less skilled than in the late 1990s, and we have to and do, teach them everything.*
- *It may take more than one submission of advertisements; however, the qualified candidate pool is strong*
- *rural setting, lower potential income versus bigger markets, skills required, Vermont cost of living, all make it a little more difficult to find good people*
- *Tough to find stellar salespeople. They're in high demand and employers seek to retain them.*
- *Our challenge comes at the middle and senior management levels and finding qualified candidates. Our last two senior officer searches took*

almost six months to find and one came from the Boston area and one from Florida. We were unable to find a qualified candidate in Vermont or our region.

- We frequently find candidates easily. Many of which want to return to Vermont from out of state.

- Vermont is not an attractive place to recruit people. The critical mass of sufficient highly skilled people does not exist given our population size and lack of professional mobility. Moreover for candidates coming in from outside, they face higher income and property taxes as well a poor housing and energy infrastructure.... We also have poor highway and freeway infrastructure.....

-It's difficult to find qualified installers who are willing to learn and are dependable.

- My business develops custom computer software and needs highly skilled computer programmers and user interface designers. People with the necessary skills are incredibly rare in this area, and efforts to pull people in from surrounding urban areas has been unsuccessful. I've had to invest in training under-qualified employees, which has been incredibly expensive and hampered growth.

- When we have openings, we have very good candidates - many to chose from.

-(Hard to find) Specifically for certain positions that require extra attention to detail and organization and management skills

---(Hard to find) Primarily for the lowest skilled positions. There seems to be a lot of drug use/abuse. For other positions it is not as much of an issue.

- Looking for qualified candidates in a very specific field, and in my experience, most of the native Vermonters, folks who have never left the state, aren't qualified as highly as those who have at least spent a little bit of time outside the state.