

Testimony of Eric Walker
Director,
Lucas County Workforce Development Agency Director at The Source NOW

Hearing of the Health, Education, Labor and Pensions Committee

“Midwest Jobs Picture: Strategies to Rebuild Communities”

October 8, 2008

Responses:

Thank you Senator Brown for this hearing and taking the time to listen to everyday citizens from the City of Toledo/Lucas County, Northwest Ohio. Secondly, I'd like to thank the Board of County Commissioners, President Tina Skeldon Wozniak, Pete Gerken, and Ben Konop for their commitment, innovation, and leadership on the issues of employment, jobs, and training.

My name is Eric Walker, I am the Lucas County Workforce Development Agency Director at The Source NOW, The Lucas County One-stop representing WIA funds for Area #9. My duties are the distribution of the \$5 – \$7M in funds that allocated from the Department of Labor through the State of Ohio to the Board of County Commissioners to educate, employ, and train adults, youth, and dislocated workers for the businesses and employers of Lucas County, Northwest Ohio. In addition, I am building operator of a 60,000 sq. ft. facility with 20 various education, employment, social service agencies with a staff of 120. I supervise 20 staff directly and work to provide outreach program and services to all the citizens of the City of Toledo, Lucas County Northwest Ohio.

Today's dislocated workers face much larger obstacles to employment than their predecessors. High unemployment, continued contraction in the manufacturing sector, low levels of academic achievement and other factors make returning to work a challenge for many people.

While the number of available workers active in the workforce has stayed fairly constant over the past 10 years, employment figures have consistently declined. July's preliminary figures show that there are currently 227,808 workers in the current labor pool compared to 232,741 in July 1998. Meanwhile, the number of unemployed workers has ballooned to 21,061 or 9.2%. Comparative figures for 1998 show that only 5.9 percent faced unemployment or 13,487 individuals.

As a result, this means higher levels of competition for a shrinking pool of available positions. Manufacturing alone shed nearly 300,000 jobs between July 1998 and July 2008 with a drop locally of nearly 20,000 workers. For these workers, many who have been in the workforce since leaving high school, the

changes in technology make them less skilled to do their old jobs than their younger, more educated counterparts.

In the Toledo metropolitan statistical area where only 14.4 percent of those over 25 have a bachelor degree or higher, significant barriers to employment arise for those facing an unexpected job change. A lack of education and training means that workers will be unlikely to adapt to the high-tech environment in today's newer manufacturing plants and that older plants, plagued with lower productivity, are unable to compete in the global markets and face uncertain futures.

Attracting new businesses is difficult as well when education levels are low. How can the Toledo area, with only 14.4% of the population holding post-secondary degrees, ever hope to compete with other Ohio cities such as Cincinnati (17.1%) and Columbus (20.3%) much less with powerhouses like San Francisco (26%), Raleigh, NC (26.2%) or Charlotte, NC (30.5%). While comparing Northwest Ohio to regions like Silicon Valley, Research Triangle Park and financial heavyweight Charlotte may seem unfair, it is a clear indication of the challenges workers face in today's economy.

Ms. Price testimony, recap / expand.

- Lisa Mayberry, mother of 2, DW: driver 2 years for 1st Transit, attending Trainco for Class A CDL utilizing a CAA
- Leslie Caputo, mother of 3, DW: assembler 11 years for JAC Products, attending OCC for RN utilizing an ITA

The staggering rise in prices for basic necessities such as gas, food and healthcare place an added burden on today's workers. The expected increase in the costs of food at home, gasoline and health care greatly outpace the estimated 1.2% increase in average wages for the region. Food prices are expected to climb between 5 and 6 percent in 2008 according to Department of Agriculture data, the Bureau of Labor Statistics reports that Health Care costs have been growing at about 4 percent annually for the past 10 years and gasoline prices have leaped a staggering 28.6% this year alone according to data published by the Energy Information Administration. Meanwhile, more people are finding themselves out of work or working at lower paying jobs – often with limited or no healthcare benefits – adding to the stress and pressure felt by workers.

Economic recovery will take time and time is a luxury many in Northwest Ohio are without. While the automotive industry, a major driver of the regional economy, regroups and repositions itself, workers are still required to pay their mortgage, put food on the table, gas in the car and seek treatment for illnesses and injuries. While it is true that unemployment benefits are a temporary support for dislocated workers, in many cases it is the only support they have. Is the primary source of unemployed or under-employed workers disappears, these individuals will find themselves in a downward spiral that will not only impact themselves but their families and the community as a whole as well.

As we head into the winter months when heating costs are expected to climb along with everything else dislocated workers will be facing an additional burden. Protecting the Unemployment Safety net that many of these workers rely upon becomes even more important. Unemployment benefits may be the only thing keeping workers in their warm homes this winter and not in the cold or on the streets.

Last week the Senate approved a bailout for Wall Street of up to \$700 Billion and the Iraq War has been costing \$10 Billion a month. When will main street, Toledo, Ohio, Lucas County, Northwest Ohio receive that same consideration for retooling our local area workforce!

Thank you again for your consideration on these issues for all of us.