

## Board of Directors Executive Committee Meeting Agenda

APRIL 10, 2018 • 10 A.M. – 3 P.M. ET

HYATT REGENCY ORLANDO INTERNATIONAL AIRPORT  
9300 JEFF FUQUA BOULEVARD  
ORLANDO, FL 32827  
MEETING ROOM: REGENCY D&E

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<b>Chairman's Welcome &amp; Remarks</b>	<b>Kevin Doyle</b>
<b>Consent Item</b> Apr. 4, 2017, Executive Committee Meeting Minutes	<b>Kevin Doyle</b>
<b>2017-2018 Initiatives</b> <i>Communicate the CareerSource Florida Network Vision</i> <ul style="list-style-type: none"><li>• State-Level Partnerships</li><li>• Skills Gap and Jobs Vacancy Survey</li></ul> <i>Leverage Strategic Partnerships</i> <ul style="list-style-type: none"><li>• Sector Strategies</li><li>• Pathways to Prosperity</li></ul> <i>Keep Florida's Workforce System Accountable</i> <ul style="list-style-type: none"><li>• Performance Funding Model</li></ul>	<b>Professional Team</b>
<b>Looking Ahead to 2018-2019</b> <i>Communicate the CareerSource Florida Network Vision</i> <ul style="list-style-type: none"><li>• Building Network Resiliency</li><li>• Workforce Innovation and Opportunity Act Unified Plan</li></ul> <i>Leverage Strategic Partnerships</i> <ul style="list-style-type: none"><li>• Expanding Apprenticeships in Florida</li></ul> <i>Keep Florida's Workforce System Accountable</i> <ul style="list-style-type: none"><li>• Gig Economy</li><li>• Performance Measurement Training</li></ul>	<b>Professional Team</b>
<b>Local Workforce Development Board Perspectives</b>	<b>Kim Bodine</b>
<b>Working Lunch</b>	
<b>Setting Priorities</b>	<b>Karen Moore</b>
<b>Open Discussion/Public Comment</b>	
<b>Chairman's Closing Remarks</b>	<b>Kevin Doyle</b>



CareerSource Florida  
Executive Committee Meeting  
April 10, 2018  
**Consent Item 1**  
Approved \_\_\_\_\_  
Disapproved \_\_\_\_\_

## **Consent Item 1**

### **APRIL 2017 EXECUTIVE COMMITTEE MEETING MINUTES**

In accordance with Article VII, Section 7.3, Bylaws of CareerSource Florida, Inc., the corporation is required to keep correct and complete books and records of account and shall keep minutes on the proceedings of the board of directors.

### **NEEDED ACTION**

**Review the draft minutes of the April 2017 meeting of the CareerSource Florida Executive Committee for approval, to include any modifications or changes noted by the committee.**



**CAREERSOURCE FLORIDA APRIL 2017  
EXECUTIVE COMMITTEE MEETING  
DRAFT MINUTES**

**CALL TO ORDER**

Chairman Britt Sikes called the meeting of the CareerSource Florida Executive Committee to order at approximately 10 a.m. ET on April 4, 2017, by welcoming members of the state board, the Florida Workforce Development Association, Florida Workforce Chairs' Alliance and the Department of Economic Opportunity.

**ROLL CALL**

A quorum was present with the following executive committee members in attendance:

Chairman Britt Sikes  
Bob Campbell  
Steve Capehart  
Tim Center  
Rose Conry  
Duane De Freese  
Kevin Doyle  
Arnie Girnun  
Ed Moore  
Ardian Zika

Brittany Birken, Elli Hurst and Mike Tomas were unable to attend.

**CHAIRMAN'S WELCOME & REMARKS**

Chairman Sikes thanked the CareerSource Florida Executive Committee members for coming together for this important, collaborative meeting, and said he values the opportunity to talk with and receive input from local workforce development board partners.

Chairman Sikes formally welcomed CareerSource Florida Chief Financial and Operating Officer Andrew Collins. Mr. Collins joined the CareerSource Florida team from the Department of Economic Opportunity in March. He holds master's degrees in both economics and public administration.

Chairman Sikes also recognized Mary Lazor. Ms. Lazor was promoted from director of contracts to vice president of strategic policy and performance. Mr. Sikes explained the new board council structure. The CareerSource Florida Strategic Policy Council is now the Strategic Policy and Performance Council. This is an important update to reflect CareerSource Florida's charge under the federal Workforce Innovation and Opportunity Act, he explained.

Chairman Sikes recapped subjects covered at the board and related meetings in February, during which the board approved Michelle Dennard as the new president and CEO of CareerSource Florida (*refer to the Feb. 8, 2017, board minutes [here](#)*). Following the February meetings, CareerSource Florida announced the inaugural round of performance awards to the local



workforce development boards for fiscal year 2015-2016. CareerSource Florida is in the process of distributing those awards to local partners.

## **CONSENT AGENDA**

Chairman Sikes explained the Consent Agenda and asked for a motion to approve the Consent Item as presented.

1. August 2016 Executive Committee Meeting Draft Minutes
2. January 2017 Executive Committee Meeting Draft Minutes
3. Individual Training Accounts Waiver – CareerSource Capital Region

**Motion:** Tim Center

**Second:** Ardian Zika

Chairman Sikes opened the floor for discussion and corrections. Hearing none, Chairman Sikes opened the floor for public comment. Hearing none, he called for a vote. The motion passed unanimously. President Dennard will sign and annotate the meeting minutes for the official record.

## **ACTION ITEM**

Chairman Sikes explained the Action Item as presented in the agenda packet and asked for a motion to affirm Andrew Collins as treasurer of CareerSource Florida Inc.

**Motion:** Duane De Freese

**Second:** Ed Moore

Chairman Sikes opened the floor for discussion and corrections. Hearing none, Chairman Sikes opened the floor for public comment. Hearing none, he called for a vote. The motion passed unanimously.

## **LEGISLATIVE UPDATE**

Chairman Sikes invited President Dennard to provide updates on key legislation. She noted:

- The proposed Senate and House budgets include full funding for the CareerSource Florida network. The Senate has recommended a \$3 million increase for the Quick Response Training program, which would bring the total annual appropriation to \$15 million. The House has not recommended any funding for the Quick Response Training program.
- The Senate and House Appropriations Committees are scheduled to vote on their budget bills on April 5 and the proposals will then go to the respective chamber floors the following week for consideration by all members. Budget conferences will be held after the floor votes to resolve any differences in the spending plans.



The legislative session is scheduled to end May 5 but may go into special session. CareerSource Florida is following many bills that continue to move through the legislative process, including the following:

- HB 7005 that repeals Enterprise Florida Inc., VISIT FLORIDA and many economic development programs including the Quick Response Training program. This bill was approved by the House on March 10 but has not received a hearing by any Senate committees. Ms. Dennard noted Gov. Rick Scott has been traveling the state to meet with constituents and businesses regarding the importance of funding economic development and tourism. CareerSource Florida will continue to keep the board apprised of any updates.
- HB 581 and SB 1016, relating to family self-sufficiency, requires CareerSource Florida and the Department of Economic Opportunity to contract with a vendor to develop a pilot program focused on a subset of job seekers who have significant barriers to finding employment. Once the program is developed, three local workforce development boards would be selected in the following year for implementation of the pilot program. CareerSource Florida would be required to report on outcomes in 2020.
- HB 1021 and SB 1312, relating to construction, were filed to implement the recommendations of the Construction Industry Workforce Task Force. The bill would require CareerSource Florida to fund construction training programs using existing federal funds and to use the previous Florida reBuilds Program as an implementation model. Florida reBuilds was a program created in 2005 to counter the shortage of construction workers.
- HB 333, relating to the Rural Economic Development Initiative (REDI), makes some membership changes to the partnership and gives the governor the authority to potentially designate more than three rural areas of opportunity (no maximum number is provided in the bill).

President Dennard suggested board members and partners continue to follow CareerSource Florida's Capitol Update newsletter for status updates.

## **CORPORATE GOALS**

President Dennard stated that as she undertakes the process of setting corporate goals for fiscal year 2017-2018, she is reviewing the governing law and its charge to the state workforce board.

She restated the fiscal year 2016-2017 corporate goals:

1. Position Florida across the region, and then nationally, as the top state for delivering talent solutions to meet the needs of business.
2. Enhance the ability of existing, emerging and evolving businesses to attract, develop and keep talent by improving CareerSource Florida's products, services and talent delivery model.



3. Facilitate data-informed dialogue, decision making, policy development and investment by the CareerSource Florida Board of Directors.

President Dennard said this meeting will help inform the coming fiscal year's corporate goals, which she will continue to work with the Chairman and board to refine. Chairman Sikes thanked President Dennard for her report.

## **STRATEGIC INITIATIVES PROGRESS**

Chairman Sikes explained that the professional team would be providing some historical perspective for the Executive Committee to consider in prioritizing funding levels for the upcoming fiscal year.

The conversation was led by a professional facilitator, Moore Communications Group President Terrie Ard, who lent her expertise to ensure thoughtful conversation between the committee members and partners as the board works to prioritize transparent and accountable discretionary spending of taxpayer dollars.

Chairman Sikes stated the facilitated discussion and board member insight and candor will help the professional team bring forth the strongest budget recommendations for the Finance Council's consideration in May.

Ms. Ard began by outlining the goals of the discussion:

- Highlight CareerSource Florida major areas of work and outcomes to provide an understating of past year budget priorities
- Engage in an open discussion to generate new ideas
- Generate ideas and opportunities not restricted by other factors at this point in the planning

The meeting was collaborative with both the committee members and partners engaging in the conversation and providing recommendations.

## **BREAK**

## **2017-2018 PRIORITIES DISCUSSION**

The Executive Committee heard reports on the following topics from various speakers:

1. **Rural Labor Force Decline Study and Response** Richard Williams
  - Focus on job opportunity in “red” areas
  - Rural labor force
    - Decline study and response
  - Public traded companies
    - Decline by 50%
    - Small business able to sustain/grow
  - Reinvent the rural economy “environment” – clean tech
  - Northwest Florida – Defense industry



## **2. Sector Strategies Implementation Update**

Andra Cornelius and Ardian Zika

- Focus on value/investment - ROI
- Training/skills focus
- Focus on securing the investments/resource – “shared vision”
- Aligning current resources/structure of our system to the sector opportunity – “Is it a model”
- Job demand – future visioning

## **3. Advanced Manufacturing and Healthcare Workforce Leadership Councils**

Andra Cornelius and Ardian Zika

- Leadership Councils
- Final year of funding – moving to self-sustaining
- Continue to track data
- High-skill focus
- LWDBs – sector strategy is a natural evolution
- Research/listening to the market to prioritize opportunities
- Ensure partners are at the table
- Community infrastructure focus; labor training offering - educate the needs to support private sector growth
- State dollars to help with federal grant match

## **4. Performance Funding Model**

Michelle Dennard

- Grant through 2019

## **5. Cooperative Outreach Program**

Victoria Langley Heller

- Expands market reach
- Digital outreach – talent recruitment
- Digital training – provide to businesses as a value-add
- Supports and supplements local board outreach efforts
- Helps to tell the CareerSource Florida brand story

Board members and local workforce development board executive directors formed small groups to discuss priorities. New opportunities were discussed as well as priority focus areas. Future long-range ideas were also shared.

## **OPEN DISCUSSION/ PUBLIC COMMENT**

Chairman Sikes asked if there were any comments or questions from the public. No comments were made.

## **CHAIRMAN'S CLOSING REMARKS**

Chairman Sikes thanked the Executive Committee members for their time and participation in the meeting as well as the local board members who took the time to attend and participate. He also thanked Terrie Ard for facilitating a very thoughtful and interactive meeting. He expressed his appreciation for the value of the meeting format as the board and professional team look to set budget priorities that will help the entire CareerSource Florida network. He noted upcoming meetings for the remainder of the year.



## **UPCOMING MEETINGS**

Board of Directors & Related Meetings  
May 16-17, 2017 - St. Petersburg

Board of Directors & Related Meetings  
Aug. 8-9, 2017 - Teleconference

Workforce Professional Development Summit  
Board of Directors & Related Meetings  
Oct. 23-26, 2017 - Orlando

The meeting adjourned at 2:02 p.m. ET.

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## **BOARD SECRETARY CERTIFICATION**

In accordance with Article VII, Section 7.3, Bylaws of CareerSource Florida, Inc., I hereby certify that these minutes reflect the proceedings of the Board of Directors of CareerSource Florida have been reviewed by the board and approved or approved with modifications which have been incorporated herein.

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Michelle Dennard  
Board Secretary

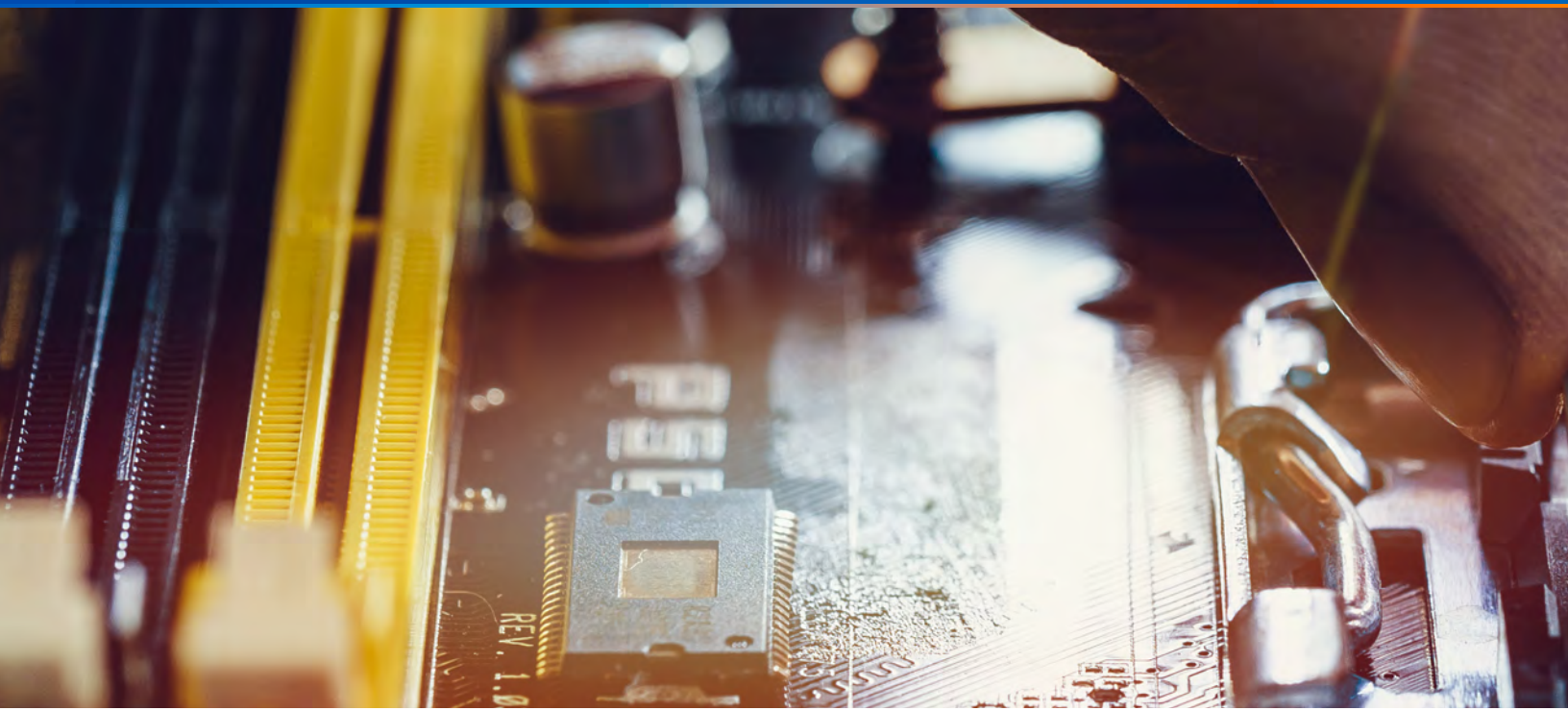
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Date



A LOOK AT  
SKILLS GAPS AND JOB  
VACANCIES **IN FLORIDA**  
**2018**





## IDENTIFYING THE CHALLENGE

If Florida is to become the global leader for talent, the state's employers must have ready access to workers with the right skills at the right time for the right industries. That's an increasing challenge as disruptions transform both the present state and the future of work.

Successfully addressing this challenge, which many attribute to a gap in skills sought by employers versus those available among individuals seeking work, is a must for entities that contribute to Florida's talent development pipeline. An effective talent development pipeline must continually ensure Floridians have the skills to compete globally so that workers and employers can seize economic opportunities to achieve prosperity.

## WHAT IS A SKILLS GAP?

*While there is no single definition of a skills gap, a skills gap is generally considered to be a difference in the skills required or desired for a job by an employer and the actual skills and capabilities of the available workforce.*







## MAKING DATA-DRIVEN DECISIONS

The CareerSource Florida Board of Directors funded research by the Florida Department of Economic Opportunity, which conducted a statewide Skills Gap and Job Vacancy Survey of Florida employers. The research was commissioned to better understand the current state of skills gaps in Florida and drive data-informed decisions regarding future workforce development strategies and investment.

Benefits of this research to Florida's workforce development system include opportunities for improvement in:

- Referring job seekers who better meet employers' needs
- Placing applicants who are job-ready
- Assisting job seekers with higher earnings at placement
- Achieving better job placement rates
- Increasing job retention rates

Benefits of this research to Florida's economy and labor market include:

- More efficient labor market exchanges resulting from better matched job seekers
- Increased employer efficiency and competitiveness
- Quicker hiring cycles
- Less turnover

Employers were asked to share information regarding current and recent vacancies including identifying any gaps in the skills they were seeking from applicants to fill their openings. If skills gaps were identified, employers were asked to explain whether applicants were lacking soft skills, also known as foundational skills, or hard skills, often referred to as technical skills.



## ANALYZING THE RESULTS

In the survey, Florida employers offered feedback on the importance and availability of a range of skills needed by their employees to support the success of their enterprises. When gaps were noted by employers, foundational skills gaps were reported twice as often as technical skills gaps. This snapshot offers a high-level summary of key findings and information.

## FOUNDATIONAL SKILLS | Soft Skills



### COMMUNICATION

- Interpersonal
- Reading and Writing
- Phone Etiquette
- Customer Service
- Sales
- Active Listening
- Following Directions



### RELIABILITY AND TIME MANAGEMENT

- Attendance
- Meeting Deadlines
- Dependability



### LEADERSHIP

- Management
- Team Work/ Team Participation
- Initiative
- Motivation
- Entrepreneurial/ Business Ideas



### PROBLEM SOLVING

- Critical Thinking
- Analytical
- Research
- Troubleshooting

### LARGEST FOUNDATIONAL SKILLS GAPS



#### COMMUNICATION

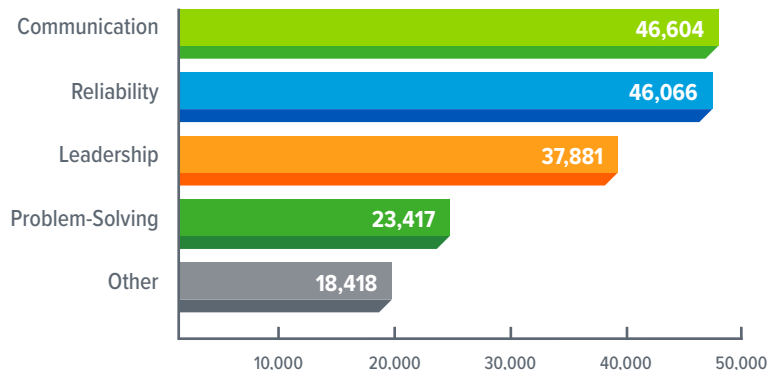


#### RELIABILITY AND TIME MANAGEMENT

Communication gaps were reported in all industries, yet specific skills varied:

- Construction – Following Directions
- Business Services – Interpersonal Skills
- Trade, Transportation and Utilities – Customer Service

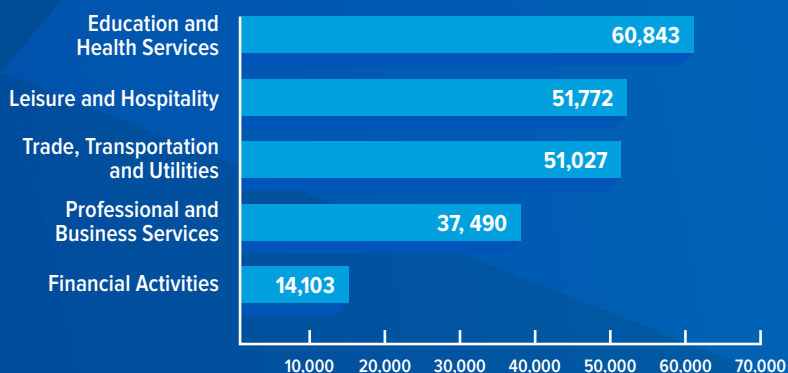
### FOUNDATIONAL SKILLS GAP TOTALS



## JOB VACANCIES BY INDUSTRY

- The top five industries account for 87 percent of all job vacancies
- Education and Health Services accounted for 1 in every 4 job vacancies

### JOB VACANCIES BY INDUSTRY





## TECHNICAL SKILLS | Hard Skills



### INFORMATION TECHNOLOGY OR RESEARCH

- Computer/Information Technology Usage
- System-Specific Job Related Research
- Electrical/Electronic
- Active Listening
- Following Directions



### WORKPLACE

- Tool Use and Selection
- Safety Skills



### MATH

- Arithmetic
- Accounting/Bookkeeping
- Logic
- Job-Specific Mathematics Requirements

## TECHNICAL SKILLS GAPS REPORTED BY ALL INDUSTRIES



### INFORMATION TECHNOLOGY OR RESEARCH

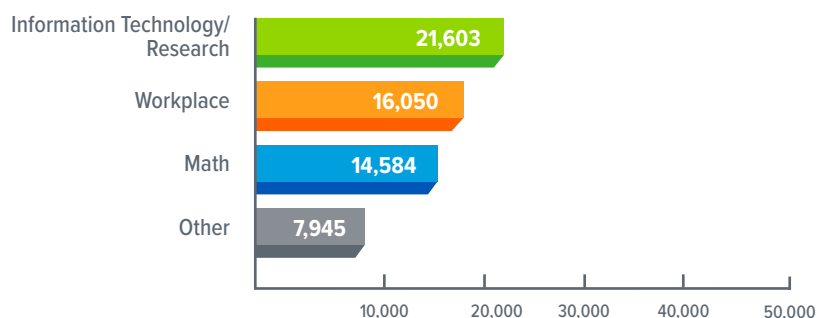
#### Workplace Technical Skills

- Safety skills were among the chief concerns

#### When comparing technical skills gaps to vacancies:

- Construction and Manufacturing have the highest ratio per vacancy
- Leisure and Hospitality have the lowest ratio per vacancy
- Information Technology/Research led gaps across all educational levels

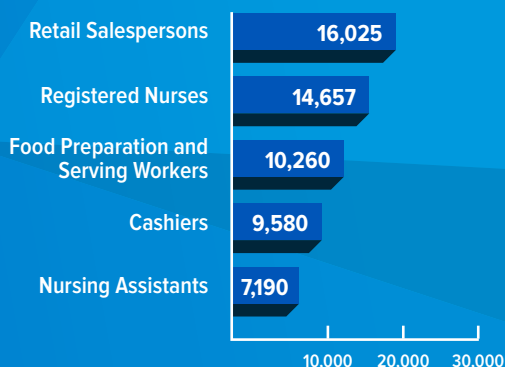
## TECHNICAL SKILLS GAP TOTALS



## JOB VACANCY CHARACTERISTICS

- 90 percent of job vacancies were permanent positions
- 2 out of every 3 job vacancies were considered full time
- 1 out of every 3 job vacancies required a training certificate
- 1 out of 7 job vacancies required more than two years of experience
- 1 out of 7 job vacancies were middle-skill occupations, requiring more than a high school diploma but less than a bachelor's degree

## TOP 5 OCCUPATIONS BY VACANCY







## WANT TO KNOW MORE?

- Commissioned by CareerSource Florida, the Florida Department of Economic Opportunity's full report detailing statewide results—the Skills Gap and Job Vacancy Survey — is available at [careersourceflorida.com](https://careersourceflorida.com).
- For an at-a-glance look at additional statewide skills gap and job vacancy data as well as a breakdown of data for Florida's 24 Local Workforce Development Areas, go to [floridajobs.org](https://floridajobs.org).

Special thanks to the Florida Department of Economic Opportunity's Bureau of Labor Market Statistics for the research highlighted in this summary.







## ABOUT CAREERSOURCE FLORIDA

*CareerSource Florida is the statewide workforce policy and investment board of business and government leaders charged with guiding workforce development for the state of Florida. CareerSource Florida provides oversight and policy direction for talent development programs administered by the Florida Department of Economic Opportunity, Florida's 24 local workforce development boards and their 100 career centers. Together, the CareerSource Florida network connects employers with qualified, skilled talent and Floridians with employment and career development opportunities to achieve economic prosperity.*

*Learn more at **[careersourceflorida.com](https://careersourceflorida.com)**.*





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CareerSource Florida is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. Disponible in Español.





## 2017-2018 Initiatives: Leveraging Strategic Partnerships

LWDB	Funding	Objective
<b>Community-Based Training</b>		
CareerSource Brevard	\$267,968	Soft skills training pilot program to increase the retention rate of new hires in key industry sectors
CareerSource North Florida	\$198,250	Support for training expansion for in-demand Certified Diesel Engine Mechanics
CareerSource Pinellas	\$147,125	Expansion of CareerReady program's training and resources for construction and manufacturing workers; support for apprenticeship programs
CareerSource Tampa Bay	\$147,125	Expansion of CareerReady program's training and resources for construction and manufacturing workers; support for apprenticeship programs
<b>Emerging Initiatives</b>		
CareerSource Brevard	\$356,468	Healthcare career pathway training to increase skills, earning potential and talent pool in nursing to address talent shortage
CareerSource Capital Region	\$266,673	Develop strategic action for training/talent development; strengthen collaborative work of Florida-Georgia Workforce Alliance
CareerSource Chipola	\$75,000	WIOA Youth/Adult/Dislocated Workers Rural Study - Phase II
CareerSource Escarosa	\$25,780	Upgrade and modernize Information Technology infrastructure and documentation processes
CareerSource Flagler Volusia	\$43,201	Construction summer work-based learning project for high school students – students will be paid by participating businesses
CareerSource Okaloosa Walton	\$144,940	Veteran spouse employment services including resume building, job searches, interviewing skills training and reemployment assistance
CareerSource Palm Beach County	\$300,000	Virtual Career Center Implementation
CareerSource Heartland	\$146,246	Development of Sector Strategies to address employer demands starting with manufacturing
CareerSource Southwest Florida	\$524,810	Identify gaps between employer demand and job availability in Information Technology and support training and certification testing to increase availability of job-ready individuals



<b>Pathways to Prosperity</b>		
CareerSource Broward	\$230,831	Two-generation demonstration project to assist low-income families through career readiness assistance and support services with improved alignment among key agencies and programs
CareerSource Central Florida	\$182,540	Call center training for visually impaired adults to increase employment opportunities and representation of visually impaired Floridians in management/professional positions
CareerSource Research Coast	\$503,187	Construction pre-apprenticeship program to help job seekers earn their GED and build construction skills
CareerSource Research Coast	\$354,628	Two-generation demonstration project to assist low-income families through career readiness assistance and support services with improved alignment among key agencies and programs
CareerSource Palm Beach County	\$323,596	Hospitality industry certifications for job seekers with disabilities and those receiving public assistance to connect them to employment
<b>Sector Strategies Initiatives</b>		
CareerSource Central Florida	\$470,000	Development of Sector Strategies in Construction and Hospitality/Tourism
CareerSource Citrus Levy Marion	\$543,442	Expansion of Sector Strategies work in Transportation, Logistics and Distribution and Manufacturing; development of Sector Strategy in Construction
CareerSource Flagler Volusia	\$293,968	Support short-term training in boat building (laminators, welders, assemblers, carpenters); On-the-Job Training for new employees at boat manufacturers
CareerSource Flagler Volusia	\$75,789	Support for Electrical Journeyman Apprenticeship Program focused on fourth- and fifth-year apprentices preparing for licensure
CareerSource Gulf Coast	\$171,446	Creation of an Advanced Manufacturing Pre-Employment Training program to increase talent in Manufacturing and Aerospace Assembly
CareerSource Northeast Florida	\$286,986	Surgical Technology training with four hospitals to provide career advancement and decrease need and cost for hiring temporary out-of-area surgical technologists
CareerSource Pinellas	\$275,935	CareerReady innovative training programs for Manufacturing and Construction including welding, soldering, irrigation and cabling
CareerSource Pinellas	\$318,285	Short-term Information Technology training targeted for computer programmers, software developers, web developers, network and computer systems administrators
CareerSource Research Coast	\$488,324	Strategies to help unskilled job seekers move into Manufacturing including the development of an apprenticeship pathway
CareerSource Tampa Bay	\$391,545	CareerReady innovative training programs for Manufacturing and Construction including welding, soldering, irrigation and cabling
CareerSource Tampa Bay	\$396,495	Short-term Information Technology training targeted for computer programmers, software developers, web developers, network and computer systems administrators



January 12, 2018



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Dear CareerSource Florida Network Partners,

CareerSource Florida and the Department of Economic Opportunity congratulate the following local boards selected as 2018 pilot sites for the Integrated Service Pilot Project:

- [CareerSource Central Florida](#) - Lake Community Action Agency

CareerSource Central Florida and the Lake Community Action Agency are partnering to create a common intake and case management system. The pilot program will provide clients career opportunities in the health care sector and include individual action plans with schedules for activity completion to ensure coordination of service delivery.

- [CareerSource Escarosa](#) - Community Action Program Committee

CareerSource Escarosa's pilot, Project S.O.A.R. (Success in Occupational Achievement and Retention), will develop and implement a holistic web-based service delivery model to better connect participants with services and providers. Individual success coaches, employees of the Community Action Program Committee, will have the ability to travel to work with participants at locations that are convenient for the individual.

We received many impressive proposals and hope each of you will continue to move forward the great work you have begun on this initiative.





## **Business and Workforce Development Initiatives**

### **Implementing Sector Strategies**

The federal Workforce Innovation and Opportunity Act requires sector partnerships as a strategy under federal statute. The law defines both state and local level responsibilities. Chapter 445.004(10), Florida Statutes, requires state workforce development strategy to include efforts that enlist business, education and community support for students to achieve long-term career goals. CareerSource Florida and its network ensure young people have the academic and occupational skills required to succeed in the workplace. The state workforce development strategy assists employers in upgrading or updating the skills of their employees and helps workers acquire the education or training needed to secure a better job with better wages. This strategy assists the state's efforts to attract and expand job-creating businesses offering high-paying, high-demand occupations. Development of sector strategies and career pathways is a component of Florida's WIOA Unified Plan and state workforce development strategy.

Sector strategies are regional, industry-focused approaches to building a skilled workforce and are an effective way to align public and private resources to address the talent needs of employers. Evidence from states employing this approach shows that sector strategies can simultaneously improve employment opportunities for job seekers and enhance the competitiveness of industries. Effective sector strategies rely on strong sector partnerships, sometimes referred to as industry partnerships, workforce collaboratives or regional skills alliances.

These partnerships are led by businesses within a critical industry cluster working collaboratively with workforce development, education and training, economic development, labor and community-based organizations. Effective sector strategies are based on the following strategic framework and implementation factors:

- Built Around Great Data
- Founded on a Shared, Regional Vision
- Guided by Industry
- Lead to Strategic Alignment
- Transform How Services (job seekers/worker and employer) are Delivered
- Measured, Improved and Sustained

### **Sector Partnership National Emergency (NEG) Grant**

In June 2015, CareerSource Florida and the Florida Department of Economic Opportunity were awarded a nearly \$7 million, two-year Sector Partnership National Emergency Grant to build on Florida's sector strategies for healthcare and advanced manufacturing – two sectors critical for Florida's future economic growth. Ten local workforce development boards convened industry-specific councils of business, education and other leaders to identify current and future workforce needs for both the healthcare and advanced manufacturing sectors. The goal of the initiative is to build regional talent pipelines, address skills gaps and create meaningful career pathways by providing intensive services and





training to program participants so they may obtain industry-recognized credentials and ultimately employment.

The grant enabled CareerSource Florida to engage the services of Maher & Maher, a nationally recognized firm with expertise in sector strategy implementation. Self-assessments by each of Florida's 24 local workforce development boards were conducted to help them better understand their current position in identifying sectors of focus through the lens of the six key world-class implementation factors noted previously.

Following the self-assessments, CareerSource Florida led four sub-state territory workshops, with agendas customized to the needs of the six local boards within each territory. At each workshop, an industry panel focused on talent needs in advanced manufacturing or healthcare was showcased. Each workshop provided a high-level sub state supply/demand analysis of key sectors. The following workshops were held:

- December 2016 – Northwest Florida (Panama City)
- February 2017 – South Florida (Palm Beach)
- March 2017 – Central Florida (Tampa)
- April 2017 – Northeast Florida (Ocala)

More than 400 representatives from business/industry, education, economic development, community development and workforce development attended the workshops.

To further promote sector strategy implementation, a monthly newsletter was sent out to interested parties about the approach, spotlighting industry focuses and providing the status of the grant's progress toward the training goal. At the end of December 2017, 1,106 people were enrolled in career services and/or training, above the grant goal of 1,050. The grant has been extended through June 2018.

After the workshops and given the emphasis on sector strategy implementation in the federal Workforce Innovation and Opportunity Act, the Executive Committee of the CareerSource Florida Board of Directors recommended using state-level funds to help LWDBs move forward in implementation of this transformative approach. The grant funds enabled the creation of state-level and sub-state sector strategy videos highlighting businesses benefitting from this approach to assist with awareness among, outreach to and engagement with industry and education partners.

At the May 2017 CareerSource Florida board meeting, consultants Maher & Maher provided a summary of the initiative's progress over the year and offered recommendations to move the state's workforce system forward.

Work is now underway to address the following recommendations:

- Ensure workforce system has a baseline understanding of sector strategies, including state expectations.





- Build capacity of state and local workforce system to move from sector-based work to sector strategies.
- Support operationalization of sector strategies into design/delivery of job seeker and business services.
- Empower local system to use Sector Partnerships to move beyond development of training programs to development of career pathways.

### **Expanding Apprenticeship Opportunities**

In the fall of 2016, CareerSource Florida integrated Registered Apprenticeships into its statewide sector strategy initiative by leveraging its selection as a USDOL ApprenticeshipUSA expansion grantee. With a keen focus on building the state's talent pipeline, local workforce development boards are empowered to move from training programs to establishing career pathways that offer apprenticeships as a viable talent development solution. The strategic alignment has forged new partnerships with employers and closer collaboration among the Florida Department of Economic Opportunity, the Florida Department of Education's Office of Apprenticeship and CareerSource Florida.

As a unified partnership, the team identifies challenges and opportunities for building a modern talent delivery system that meets the needs of employers in high-demand industries like advanced manufacturing, information technology, healthcare and construction.

Key achievements designed to shift workforce development from a supply-driven to demand-driven system include:

- Convening more than 100 influential businesses leaders and community stakeholders as part of the ApprenticeshipUSA grant kick-off activities to solidify partnerships for system changes that are transformative and sustainable beyond the life of the grant.
- Hosting weekly strategy sessions with core partners from the Florida Department of Education's Office of Apprenticeship and the Department of Economic Opportunity to align policies, people and processes as part of statewide system integration and ApprenticeshipUSA grant compliance.
- One of only nine states selected by the USDOL as an Apprenticeship Promising Practice case study within the Aligning State Systems & Partnerships category, providing a national platform for sharing Florida's successes broadly to the apprenticeship and workforce community.
- Hosting an Apprenticeship 101 cross-training webinar for Business Services Representatives from all 24 local workforce development boards and Apprenticeship Training Representatives from Florida's six Registered Apprenticeship service regions to support alignment with WIOA and apprenticeship expansion strategies.





- Engaging core partners from the Florida Department of Education, Florida Department of Economic Opportunity, Florida Department of Vocational Rehabilitation and influential businesses and community leaders as members on the Governance/Policy, Business Outreach, Population Outreach and Data Sharing Apprenticeship Catalyst Workgroups.
- Developing customizable workforce solutions for employers and job seekers based upon recommendations from the Apprenticeship Catalyst Workgroup participants.
- Commissioning market research, including surveys of businesses and current apprentices, of perceptions about Registered Apprenticeship to implement effective outreach and communication strategies to raise awareness of and interest in this career pathway opportunity.
- CareerSource South Florida and Miami-Dade County Public Schools have formed a specialized, collaborative partnership to deliver 12 Miami Dade Youth Pre-Apprenticeship Career and Technical Training Programs in four Miami-Dade County Public Schools: Coral Gables Senior High School, Miami Carol City Senior High, Miami Edison Senior High School and Homestead Senior High School.
  - During a 23-month period, pre-apprentices will be exposed to trades with employment gaps such as bricklayer, carpentry, heating and air conditioning as well as elevator constructor and electricians, followed by unique career pathways to employment after completion.
- CareerSource Suncoast is partnering with the national nonprofit organization Jobs for the Future to become an intermediary Registered Apprenticeship sponsor within the advanced manufacturing industry.
- CareerSource Tampa Bay offers pre-vocational training programs in the construction and welding trades for both youth and adults. Successful participants are referred to local construction employers and apprenticeship programs for direct hire, apprenticeship program hires, paid work experience or on-the-job training opportunities.
- CareerSource Florida and its grant partners are hosting an Apprenticeship/Career Pathways Summit in June 2018 to showcase best practices for integrating registered apprenticeships and career pathways as part of a seamless talent pipeline.

Apprenticeship is one type of career pathway. With sector strategies being the primary approach of Florida's workforce system for meeting *employer* needs, it is essential for career pathways to be defined and built for *workers* simultaneously. Career pathways enable individuals to secure employment within a specific industry or occupational sector and advance over time to successively higher levels of education or employment in that sector.

In support of career pathways development, CareerSource Florida is directing development of career pathways-focused resources and tools. The objectives are to:





- Describe the process to create career pathways and showcase examples of successful demand-driven models.
- Illustrate how pre-apprenticeship and Registered Apprenticeship can/should be incorporated into career pathways efforts.
- Identify existing and emerging career pathways efforts, through discussion, and explore opportunities to align and integrate regional pathways plans, activities and resource investments.

Partners in the development of these resources and tools will include regional thought leaders and champions representing workforce development (including all WIOA partners), K-16+ education, economic development, community-based providers and others.





## Florida's Performance Funding Model Update Executive Committee Meeting April 10, 2018

### Purpose

Florida's Performance Funding Model (PFM) is a five-year workforce innovation initiative funded by the U.S. Department of Labor to design and deliver employment and training services that generate long-term improvements to workforce performance and outcomes. CareerSource Florida and the Department of Economic Opportunity developed the PFM and its web application to help the CareerSource Florida network identify, measure and replicate success to better anticipate and address the employment and training needs of businesses, job seekers and workers statewide. It enables data-driven decision making at the state and local levels. This five-year performance initiative (Oct. 1, 2014 – Sept. 30, 2019) began with a one-year (2014-2015) planning period followed by a three-year local board implementation and will complete with a one-year (2018-2019) evaluation period.

The PFM allows opportunities to:

- Map and analyze critical performance data towards common, identified goals.
- Expand current data collection systems and integrate new data collection tools through the PFM web-based application.
- Benchmark and track performance, encouraging collaboration and shared resources.
- Develop and deploy effective strategies.
- Enhance services to Florida businesses and job seekers, including people with barriers to employment.

### Rewarding Success

The PFM measures local workforce development boards on customized, agreed-upon goals reflecting Florida-emphasized workforce development priorities. In fiscal year 2015-2016, local boards were measured on four key metrics and were awarded a total of \$6.15 million for their performance on those metrics. In fiscal years 2016-2017 and 2017-2018, local board performance is being measured on seven metrics. Local boards will be awarded approximately \$10 million for their performance on the PFM in fiscal year 2016-2017 and approximately \$1.5 million for their performance in fiscal year 2017-2018.

### Forward Looking

CareerSource Florida and the Department of Economic Opportunity continue to look toward the future – analyzing lessons learned and best practices with a focus on our customers – to develop an agile and responsive long-term sustainable performance model that supports Florida's priorities and needs, and fully aligns with the Workforce Innovation and Opportunity Act. CareerSource Florida has partnered with the North Highland Company to continue providing technical assistance support to local workforce development boards, conduct data analytics and provide guidance on PFM / WIOA metrics alignment.

The implementation of Florida's Performance Funding Model, establishment of the online performance tool and the expertise of the PFM Technical Review Committee in sharing best practices provides a foundational direction for continuous improvement throughout Florida's workforce investment system.



# WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)

Florida's Unified State Plan Two-Year Modification | July 1, 2018 – June 30, 2020

The vision of WIOA is to achieve and maintain an integrated, job-driven workforce system that links Florida's diverse, talented workforce to businesses and improves the quality of life for citizens.

*Under WIOA, Florida's workforce system is supported by three key pillars:*

- 1** | The demands of businesses and workers drive workforce solutions.
- 2** | The workforce system supports strong regional economies.
- 3** | One-stop career centers provide first-rate customer service to job seekers, employees and businesses.

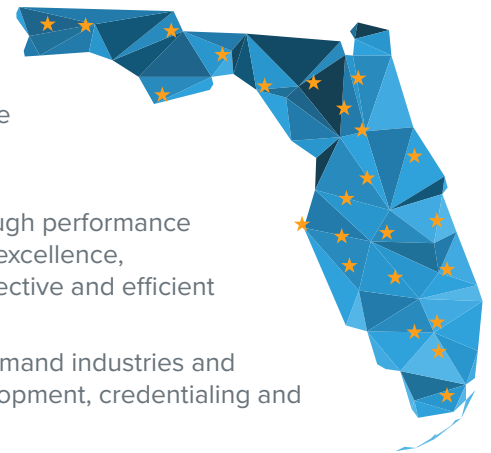
## COLLABORATIVE IMPLEMENTATION

Florida's implementation of WIOA began with the formation of a legislatively created task force comprising leaders in agencies with an impact on Florida's workforce development system. Recommendations from the WIOA Task Force were adopted by the CareerSource Florida board and included in the 2016 Unified State Plan.

Since the submission of Florida's first Unified State Plan in 2016, regular interagency meetings of the WIOA Core Partner programs addressed aspects of an advanced plan implementation. These meetings included leadership and subject matter experts from each of the WIOA core partners. Regular implementation meetings are conducted to share information, provide input for the two-year modification of the unified plan and make recommendations.

## FLORIDA'S VISION FOR IMPLEMENTING WIOA

1. Enhance alignment and market responsiveness of workforce, education and economic development systems through improved service integration that provides businesses with skilled, productive and competitive talent and Floridians with employment, education, training and support services to reduce welfare dependence and increase opportunities for self-sufficiency, high-skill and high-wage careers and lifelong learning.
2. Promote accountable, transparent and data-driven workforce investment through performance measures, monitoring and evaluation that inform strategies, drive operational excellence, lead to the identification and replication of best practices and empower an effective and efficient workforce delivery system.
3. Improve career exploration, educational attainment and skills training for in-demand industries and occupations for Florida youth, leading to enhanced employment, career development, credentialing and postsecondary education opportunities.



## WIOA PARTNERS

WIOA brings together, in strategic coordination, the following core programs that design, implement and drive Florida's workforce development:

- Adult, dislocated worker and youth programs administered by the Florida Department of Economic Opportunity
- Wagner-Peyser Act job search and placement services administered by the Florida Department of Economic Opportunity
- Adult education and family literacy programs administered by the Florida Department of Education
- Vocational Rehabilitation and Blind Services administered by the Florida Department of Education
- Workforce investment and policy direction provided by CareerSource Florida



## GOALS OF WIOA

- 1** | **Increase** access to education, training and employment—particularly for people with barriers to employment.
- 2** | **Create** a comprehensive, high-quality workforce by aligning workforce investment, education and economic development.
- 3** | **Improve** the quality and labor market relevance of workforce investment, education and economic development efforts.
- 4** | **Promote** improvements in the structure and delivery of services.
- 5** | **Increase** the prosperity of workers and employers.
- 6** | **Reduce** welfare dependency, increase economic self-sufficiency, meet employer needs, and enhance the productivity and competitiveness of the nation.

## FLORIDA'S WIOA STRATEGIES

### *Focusing on the Business Customer.*

- Evaluating and redefining standards and measures for business customer service to facilitate seamless access to tools and services across programs.
- Using the market segmentation framework and planning tools developed by CareerSource Florida to ensure businesses are identified for proactive talent support strategies.
- Coordinating business services across core programs.
- Implementing a Salesforce-based Customer Relationship Management platform to assess business customer participation and satisfaction.

### *Implementing Sector Strategies.*

- Ensuring the workforce system has a baseline understanding of sector strategies, including state expectations.
- Building capacity of the state and local workforce system to move from sector-based work to sector strategies.
- Supporting operationalization of sector strategies into design/delivery of job seeker and business services.
- Empowering local systems to use sector partnerships to move beyond development of training programs to development of career pathways.
- Expanding apprenticeship opportunities within the sector strategy framework through a comprehensive program design funded by a USDOL ApprenticeshipUSA grant.

### *Establishing Career Pathways.*

- Participating in the integrated education and training model for Florida's Integrated Career and Academic Preparation System led by the Florida Department of Education.
- Promoting the development of contextualized instruction with a specific career pathway focus, career development and transition services to be integrated into adult basic education.
- Continuing cross-referral and provision of CareerSource Florida representatives directly to numerous adult education facilities, providing counseling and advisement related to awareness of workforce services.

### *Enhancing Performance Measurement.*

- Driving performance by measuring CareerSource Florida local workforce development boards on customized, agreed-upon goals, reflecting Florida's workforce development priorities.
- Providing technical assistance through webinars, one-on-one telephone consultations and in-person presentations.
- Evaluating and continuously improving performance management systems.
- Driving the types of outcomes Florida's workforce network needs for Florida to become a global leader for talent.

### *Providing Quality Services to Individuals with Disabilities.*

- Implementing the Abilities Work portal to better link employers to job seekers with disabilities.
- Continuing collaboration through Employment First Florida to facilitate improved coordination of services to help people with disabilities gain employment and achieve self-sufficiency.
- Providing priority assistance such as job search, career planning and skill building through Florida's Ticket to Work program led by Florida's Division of Vocational Rehabilitation.

### *Enhanced Alignment with Florida's Workforce Network Partners.*

- Engaging across core programs through specialized expert workgroups focused on measurement, reporting and strategy implementation.
- Coordinating policy discussions and decision-making by WIOA core program leadership.
- Expanding strategic partnerships through collaboration with additional stakeholder agencies.





## **Apprenticeship FLA Summit • Miami**

June 18-19, 2018 | Mon., 1 – 6 p.m. ET | Tues., 8:30 a.m. – 3 p.m. ET

Florida International University, Biscayne Bay Campus, Kovens Conference Center

### **Agenda**

#### **June 18 – Day 1**

**12 – 1 p.m. – CHECK IN & REGISTRATION OPENS**

**1 – 2:30 p.m.**

#### **Expanding Apprenticeships to Meet Business Workforce Needs**

**1 – 1:30 p.m.**

- Welcome, Opening Remarks and Summit Overview
- Introduction of Keynote Speaker

**1:30 – 2:30 p.m.**

- Keynote Speaker

**2:30 – 2:45 p.m. – COFFEE & NETWORKING BREAK**

**2:45 – 3:45 p.m.**

#### **Miami-Dade's Partnership to Grow Talent Pipeline for the Construction Sector**

- Panel of leaders from Miami-Dade County who have developed a pre-apprenticeship program for youth will explain the impetus behind the initiative and what's ahead.

**3:45 – 4:45 p.m.**

#### **Harnessing the Power of Apprenticeships to Strengthen Businesses & Their Workforce**

- Florida's business champions explain why they are sold on Registered Apprenticeship as a competitive-edge solution. Apprentices will share their perspective on Registered Apprenticeships.

**5 – 6:30 p.m. – NETWORKING OPPORTUNITY**

- Thank you to our sponsors

#### **June 19 – Day 2**

**7:45 – 8:30 a.m. – CONTINENTAL BREAKFAST & NETWORKING**



**8:30 – 9:30 a.m.**

**Expanding Apprenticeships to Meet Business Workforce Needs**

- Welcome, Opening Remarks and Overview of Day Two

**9:30 – 9:45 a.m. – COFFEE & NETWORKING BREAK**

**9:45 – 10:45 a.m.**

**Reaching Our Audience: Perceptions About Apprenticeships**

- Hear cutting-edge, Florida-specific market research findings that describe how employers and potential apprentices perceive apprenticeships in Florida and the messaging most likely to drive increased participation to meet business needs.

**10:45 – 11:45 a.m.**

**Breakthrough Models of Career Pathway Success – National Best Practices**

- This panel will showcase how state colleges and local workforce development boards nationally are working together to implement career pathways in apprenticeship.

**11:45 a.m. – 12:45 p.m. – BUFFET LUNCH & NETWORKING BREAK**

**12:45 – 1:45 p.m.**

**Breakthrough Models of Career Pathway Success – Florida Best Practices**

- This panel will showcase how Florida's state colleges and local workforce development boards are working together to implement career pathways in apprenticeship.

**1:45 – 2:45 p.m.**

**Apprenticeship Catalyst Workgroups: Findings and Recommendations**

- Recommendations from the four Apprenticeship Catalyst Workgroup chairs to address challenges and opportunities of Apprenticeships.

**2:45 – 3 p.m. – RECOGNITIONS AND NEXT STEPS**



Research Report

# **The Gig Economy in the U.S.**



Texas Workforce Investment Council

# Research Report on the Gig Economy in the U.S.

March 10, 2017



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## Introduction

Texas Government Code, Section 2308.104, charges the Texas Workforce Investment Council (Council) with strategic planning for and evaluation of the Texas workforce system. One of the areas of focus in the workforce system strategic plan is a commitment to the continuous improvement and innovation of the workforce system. The collection of accurate data is critical to evaluating the workforce system and making informed decisions. The Council determined a need to identify and define the growing workforce that makes up what is known as the gig economy. In a gig economy, temporary, flexible on-demand jobs are commonplace and companies tend toward hiring independent contractors and freelancers instead of full-time employees. Technology is the bridge between traditional employment and jobs in the gig economy. The possibility for the gig economy to become an engine of economic and social transformation increases as technology continues to evolve. The gig economy potentially represents a significant shift in the labor force composition that can impact both the U.S. economy and the Texas workforce system.

Traditional work is typically described as a full-time job with set work hours that may also include benefits. However, the defining features of work have started to change along with shifting economic conditions and continued technological advancements. Shifts in the economy have contributed to the creation of a new workforce segment characterized by independent and contractual labor. These on-demand gigs benefit both workers and the economy, and help to support job growth and household incomes in the post-Great Recession labor market. Such gigs often feature flexible hours, low or no training costs, and generally few barriers to worker entry. Now widely known as the gig economy, the growth of this workforce has created the need for policy makers and stakeholders to understand and evaluate the increasing number of nontraditional jobs and workers.

There is no universally accepted definition for the range of activities that fall into the gig economy or for who should be counted as a gig worker. As a result, research on this subject has produced a wide range of estimates for how many people are using digital platforms to work or otherwise earn money.

A considerable degree of confusion exists regarding how gig workers are defined and counted. Thus, it is difficult to judge the exact size and impact of the gig economy on the overall workforce system and the economy. To ensure the Texas workforce system remains responsive to an evolving economy, a complete understanding and evaluation of the gig economy is important. Key terminology for understanding the potential impact of the gig economy on the workforce in the years to come is presented in the next section.



## Definitions

*Digital platform* – the software or hardware of a site. For example, Facebook is a digital platform. Uber is a digital platform. The two types of digital platforms related to the gig economy are *labor platforms*, where individuals perform tasks or assignments, and *capital platforms*, where individuals can sell goods or rent assets.

*Gig economy* – a labor market characterized by the prevalence of short-term contracts or freelance work, in particular those on-demand jobs whose rapid growth can be attributed to the upsurge of digital platforms in recent years.

*Gig worker* – an individual who operates in an environment in which temporary positions are common and in which organizations contract workers for short-term arrangements.

*Freelancer* – a person who is self-employed and is not necessarily committed to a particular employer long-term.

*Contingent worker* – someone who works for an organization but is not considered a permanent employee. Contingent workers are also known as freelancers, consultants, seasonal or temporary employees, and independent contractors.

*Nonemployer firm* – a firm that has no paid employees (sole proprietorship), has annual business receipts of \$1,000 or more (\$1 or more in the construction industries), and is subject to federal income taxes.

*Independent worker* – a person who provides services to another party in an independent and non-subordinate manner.

*Independent contractor* – a person, business, or corporation that provides goods or services to another entity under terms specified in a contract or within a verbal agreement.

## Research Scope

Recent U.S. economic developments offer both opportunities and challenges for how to effectively promote widely shared economic prosperity in a changing labor market. The rise of nontraditional and contingent employment relationships fostered by new technology platforms creates new earning opportunities, but not without obstacles. Now, in the wake of a recession that drove years of high unemployment, innovative peer-to-peer collaboration and technology savvy millennials have spurred what is being described by some as the beginning of a labor market transformation, more commonly known as the gig economy. Consumers and workers alike now use online technology and applications, or apps, to contract for specific, on-demand services such as cleaning, landscaping, shopping, cooking, driving, and catering. This research report delves further into defining and classifying these gig workers, in particular how and where they operate. In addition, this research examines the types of activities gig workers



participate in, as well as estimates of the size of the national gig workforce. Finally, the report addresses the potential implications that the rapid growth of the gig economy may have on the workforce system.

## **Defining and Classifying Gig Workers across the Nation**

*What are the two types of platforms where gig workers operate?*

Gig workers in general require a place to find their gigs or to sell and rent their items. Digital platforms are online businesses that match workers with tasks and sellers with a marketplace for selling. Two types of digital platforms host this quickly growing segment of the workforce: labor platforms such as Uber or TaskRabbit, where individuals perform tasks or assignments, and capital platforms such as Etsy, eBay, or Airbnb, where individuals sell goods or rent assets. The fastest growing of the two are labor platforms, which are largely influenced by ride-sharing platforms such as Uber and Lyft.

*What are the age demographics for gig workers?*

This growing workforce segment is driven by the millennial generation. The JPMorgan Chase Institute reported that more than five percent of millennials (ages 18-34) earned income from an online platform over a 12-month period, compared to a national average of 3.1 percent. An age gap in participation existed for both types of platforms. Compared to adults older than 52 (baby-boomers), 18-34 year olds were nine times more likely to earn income on labor platforms and five times more likely to earn income on capital platforms.

*What are the different ways to classify earners in the gig economy?*

### *Independent workers*

No one-size-fits-all label can cover all gig workers. However, a 2016 McKinsey study<sup>1</sup> separates gig workers into four distinct segments of independent workers. (Figure 1) McKinsey lists two factors to be considered for independent workers: whether they rely on independent work for their main livelihood, and whether they actively chose to be independent or simply turned to it for lack of a better alternative. Many individuals rely on independent work for their “primary” source of income. This group includes people who devote most of their time to a single independent activity. Examples include a plumber or a chiropractor, as well as those workers who piece together different types of work to generate the majority of their income, such as a wedding planner who also teaches fitness classes.

In contrast, “supplemental” earners are either traditional payroll jobholders who engage in independent work on the side or those who have some other primary activity and do not rely on this work as their main income. Some examples of supplemental earners are students,

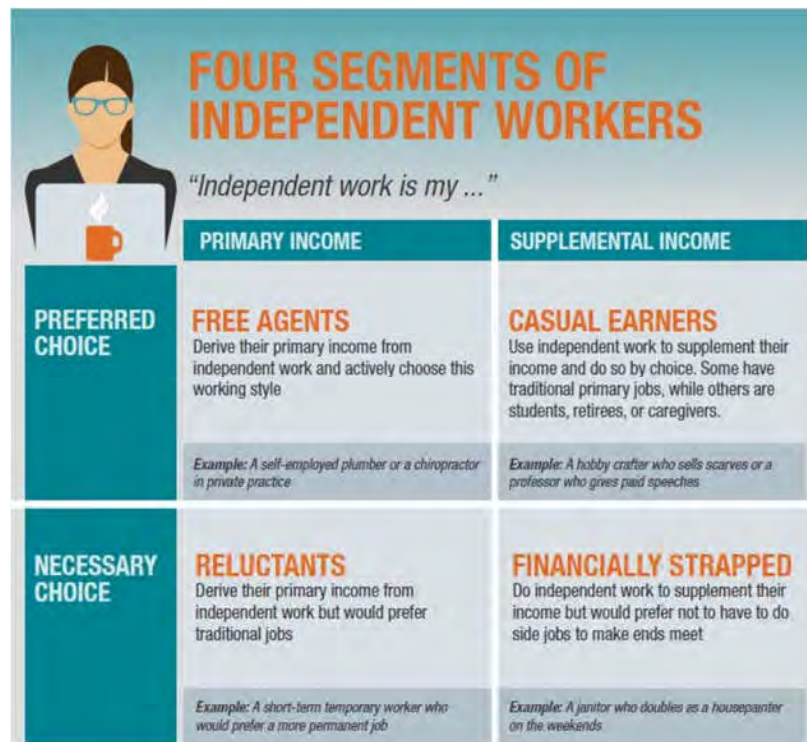
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<sup>1</sup> McKinsey Global Institute, (October 2016). *Independent Work: Choice, Necessity, and the Gig Economy*.



retirees, and caregivers. These individuals are traditional employees, but because of their other income-generating activities, they fall into the McKinsey definition of independent workers. A college professor who accepts a paid speaking engagement would be a supplemental independent earner. So would a full-time radiology technician in Austin, Texas, who rents out a spare room in his apartment on Airbnb during the South by Southwest music festival.

Figure 1



Source: McKinsey Global Institute, 2016

The independent workforce can be split between those who actively choose this working style and those for whom it is the best available option. Many earners prefer the freedom and flexibility of independent work. They value being their own boss, setting their work hours, and concentrating only on work that interests them. The dermatologist who opens a private practice can decide how many patients he will see each day. The freelance graphic artist can say no to dull assignments. The app developer can code at night and sleep during the day. The Uber and Lyft drivers can schedule their hours around classes or family priorities. These people enjoy the perks of being independent and would choose to remain so even if they had the option to switch to a traditional job.

The McKinsey survey estimated that 30 to 45 percent of the working-age population would prefer to earn either primary or supplemental income through independent work and consider themselves at least somewhat likely to pursue the option. If they were able to pursue the working style they prefer, independent workers could potentially grow to between 76 and 129 million Americans by this measure.



Additionally, a Pew Research Center report<sup>2</sup> surveyed non-institutionalized adults ages 18 or older. Table 1 shows the demographic diversity of Americans who earn money from various digital platforms. There are pronounced demographic differences between Americans who earn money from labor platforms where users contribute their time and effort, versus those who earn money from capital platforms where users contribute their goods or possessions.

Table 1

	<b>All U.S. adults</b>	<b>Gig workers</b>	<b>Online sellers</b>
	%	%	%
Male	48	45	56
Female	52	55	44
White	65	43	70
Black	12	19	7
Hispanic	15	21	13
18-29	22	42	26
30-49	34	39	48
50-64	26	15	18
65+	19	4	7
Less than \$30,000	26	49	29
\$30,000-\$74,999	35	35	40
\$75,000 or more	38	14	30
College grad+	28	21	38
Some college	31	37	37
HS grad or less	41	42	25
Employed full-time	43	44	56
Employed part-time	18	24	15
Not employed	39	32	41
Covered health ins.	87	77	87
Retirement account	40	27	49
Have pension plan	22	8	19
Rent current home	33	56	37
Student	11	23	17

Source: Pew Research Center, 2016

*Note: All adults based on non-institutionalized adults ages 18 or older. Whites and blacks include only single-race non-Hispanics. Hispanics are of any race. Other includes non-Hispanic persons reporting single races not listed separately and persons reporting more than once race. Full-time workers are those working 35 hours or more per week and 50 to 52 weeks in that year. Part-time workers are those working under 35 hours per week. Source: Survey conducted July 12-Aug. 8, 2016. "All adults" figures (excluding retirement account and pension plan) based on Pew Research Center tabulations of 2014 American Community Survey (1% IPUMS).*

The Pew Research Center study found differences between those who depend heavily on the money they earn from these platforms and those who describe their income as merely "nice to have." The study indicated that workers who describe the income they earn from gig work as "essential" are more likely to come from low-income households, to be non-white, and to have not attended college. They are less likely to perform online tasks for pay, but more likely to gravitate towards physical tasks such as ride-hailing, landscaping, catering, cleaning, and similar services. They are also significantly more likely to say that they are motivated to do this sort of work because they need to be able to control their own schedule or because there are not

<sup>2</sup> Pew Research Center, (November 2016). *Gig Work, Online Selling and Home Sharing*.



many other jobs available to them where they live. Nearly a quarter of those who utilize digital gig platforms for work are students.

### *Freelancers*

A 2016 study of freelance workers<sup>3</sup> found that from 2014 to 2016, the freelance workforce grew by 2 million workers, from 53 million to 55 million. It is estimated that this workforce earned \$1 trillion in 2016, representing a significant share of the U.S. economy. Sixty-three percent of freelancers say they started more by choice than necessity, an increase of 10 percentage points from 2014. In addition, full-time freelancers reported feeling positive about their work. The majority of freelancers reported leaving a full-time job to make more income freelancing than they did with a traditional employer. Full-time freelancers also have the ability to work less than 40 hours per week (36 hours per week on average), and the majority feel they have the right amount of work.

The freelance worker study identified five types of freelancers:

- *Independent Contractors* (35 percent of the independent workforce / 19.1 million professionals) – “traditional” freelancers who don’t have an employer and instead do freelance, temporary, or supplemental work on a project-to-project basis.
- *Diversified Workers* (28 percent / 15.2 million) – people with multiple sources of income from a mix of traditional employers and freelance work. This could be someone who works the front desk at a physical therapy office 20 hours a week and augments his income by driving for Uber and doing freelance writing.
- *Moonlighters* (25 percent / 13.5 million) – professionals with a primary, traditional job who also moonlight doing freelance work. One example could be a corporate-employed web developer who does projects for nonprofits in the evening.
- *Freelance Business Owners* (7 percent / 3.6 million) – freelancers who have one or more employees and consider themselves both freelancer and business owner. An example could be a social marketing expert who hires a team of other social marketers to build a small agency, but still identifies as a freelancer.
- *Temporary Workers* (7 percent / 3.6 million) – individuals with a single employer, client, job, or contract project for which their employment status is temporary. This could be a data entry worker employed by a staffing agency and working on a three-month contract assignment.

The study noted that the outlook for independent workers is positive. Two million more people are doing independent work than two years ago, which is a reflection of how the economy is shifting and how technology is enabling the independent workforce and rewarding a freelance lifestyle.

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<sup>3</sup> Freelancers Union and Upwork. (October 2016). *Freelancing in America: 2016*.



*What commonalities exist among the various definitions of workers?*

Gig workers, independent workers, and freelancers, though defined differently, all share common characteristics. For one, their rapid growth in number can mainly be attributed to a surge in the use of digital platforms. A fast-growing segment of gig workers, mainly millennials, use Uber, TaskRabbit, Thumbtack, and other platform firms that are transforming industries by connecting workers with customers in new ways. Other platforms, such as app stores and YouTube, are creating entirely new task oriented occupations or occupational branches where gig workers such as independent workers and freelancers can operate. In addition, existing organizations are creating digital and social media marketing departments and jobs, many of which are contingent on workers contracted for tasks in place of the traditional employer-worker relationship. Finally, even the more casual earners operate on online technology capital-based platforms, such as eBay, Etsy, or Airbnb, where individuals sell goods or rent assets to supplement their incomes.

### **Capturing Data and the Number of Gig Workers**

Federal government data sources have had difficulty calculating how many gig workers are in the workforce. The two main federal workforce-related sources that have attempted to count these workers are the U.S. Bureau of Labor Statistics (BLS) and the U.S. Census Bureau.

#### *Bureau of Labor Statistics*

Gig workers could be in contingent or alternative employment arrangements, or both, as measured by BLS. Contingent workers are those who do not have either a contract or an implied contract for long-term employment. Alternative employment arrangements include earners who are independent contractors (also called freelancers or independent consultants), on-call workers, and workers provided by temporary help agencies or contract firms.

The data BLS has for these types of workers are over a decade old. In 2005, contingent workers accounted for roughly two to four percent of all U.S. workers. About seven percent of workers were independent contractors, the most common alternative employment arrangement, in that year. BLS plans to collect these data again in 2017. It will be interesting to see how much this contingent worker population has grown, especially over the last 12 years.

Other, more recent data from BLS may capture a great number of gig workers, but these workers are not broken out separately. For example, gig workers may be included in counts of workers who are part-time, self-employed, or hold multiple jobs. But these counts also include workers who are not part of the gig workforce.

#### *U.S. Census Bureau*

Nonemployer statistics data, created by the Census Bureau from tax data provided by the Internal Revenue Service, offer another angle to examine the gig economy. Many gig workers fit



the Census Bureau definition of a nonemployer firm: in general, a self-employed individual operating a very small, unincorporated business with no paid employees (sole proprietorships).

Between 2003 and 2013, all industry sectors experienced growth in nonemployer businesses. The “other services” sector added nearly one million nonemployer businesses during that time, the most of any sector. (See chart 1.) Many of the occupations in this sector involve on-demand services, such as house cleaning, pet sitting, and appliance repair, making them well-matched to gig employment. The Brookings Institution’s analysis<sup>4</sup> of nonemployer statistics across the entire economy suggests that some 86 percent of nonemployer firms are actually self-employed, unincorporated sole proprietors. In other words, these individuals are earning income as independent contractors or freelancers. In the rides and rooms industries, characterized by the quick growth of ride-sharing and room-sharing platforms such as Uber and Airbnb, some 93 percent of the nonemployer firms are freelancers or contractors. These are exactly the types of workers who seek part-time work in the gig economy.

Chart 1  
Nonemployer Business Growth, 2003-2013



Source: 2003–2013 Nonemployer Statistics, U.S. Census Bureau.

\*This industry sector includes repair and maintenance; personal and laundry services; and religious, grant making, civic, professional, and similar organizations.

Overall, there is currently no accurate way to count the gig economy workforce. The expectation is that in the coming years many more studies will be done and federal agencies will continue to grapple with definitions and estimation methods. The best way to capture the most accurate data for this workforce population is to access data directly from the digital platform firms that host the one-to-one gig worker exchanges. The fact that this data is proprietary to each platform, compounded by the lack of any universal reporting system, makes it extremely difficult to track at this time.

<sup>4</sup> Brookings Institution. (October 2016). *Tracking the gig economy*.



## Other Sources

Studies reviewed for this research, including those by McKinsey Global Institute, Freelancers Union, Brookings Institution, and Pew Research Center, used sources such as Moody's Analytics<sup>5</sup> and ad hoc surveys with various underlying assumptions in combination with sections of the U.S. Census Bureau and Bureau of Labor Statistics data.

## Discussion on the Growth of the Gig Economy

The workforce environment is changing significantly and rapidly for U.S. workers. Through the increasing prevalence of the gig economy and other nonstandard work arrangements, the traditional relationship between the employer and worker is evolving for many.

This can mean greater access to the labor market for some, or reduced access to the comfort of traditional workplace benefits and a steady income for others. As previously noted, the only real and accurate way to measure this workforce population is through accessing the digital platform data directly, which is nearly impossible at this point in time. Nevertheless, gaining an understanding of these evolving workforce trends and where they are headed is vital to ensuring real opportunity for the future workforce.

Most U.S. job growth over the last 10 years was in temporary, part-time, freelance, and other contingent work. Temp agencies now employ a record share of the U.S. workforce, and, according to the McKinsey study, 20 to 30 percent of the working-age population in the U.S. engages in freelance-type work.

As a result, for several years experts have discussed the impact of the gig economy on the labor force. There is a growing consensus that the real impact of the gig economy looks much more like Wonolo<sup>6</sup> and similar on-demand labor startups who provide workers for large companies.

It has always been logical for a highly skilled worker to be hired on a project basis, such as a freelance advertising specialist who is hired to create a brand for a new company. Now, the gig economy offers businesses the capability to automate job recruitment and task assignment, such as hiring short-term workers to fill in at a warehouse for a five-hour shift.

This change in management strategy continues to stimulate an increasingly contingent workforce. On-demand digital platforms are important because they are a new model for managing a service-based workforce, a model that is easily transferrable. Today, the gig

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<sup>5</sup> Moody's Analytics is a subsidiary of Moody's Corporation and provides economic research regarding risk, performance, financial modeling, and data related to the evolving marketplace.

<sup>6</sup> Wonolo connects workers with immediate hourly or daily jobs from the biggest and best brands, allowing workers to work where they want, when they want, and for whomever they want. Wonolo works like Uber. Businesses post "gigs" via the Wonolo app, and the startup's algorithms push them to a pool of about 30,000 workers in eight cities, much like Uber pushes ride requests to its drivers.



economy makes up a small percentage of the entire U.S. labor force. However, true widespread workforce transformation may occur if labor platforms like Wonolo achieve the growth and success of ride sharing platforms like Uber.

## **Next Steps**

### *The Texas Gig Economy*

As Council staff continues its research on evolving trends in the labor market, the gig economy has been identified as containing a growing workforce population that can impact the state's future competitiveness. As such, this research report was intended to define, categorize, and present data related to the gig economy. The collection of accurate data is essential for the Council to effectively evaluate conditions that can affect the Texas workforce. The Council will next look at Texas-specific data in order for the Texas workforce system to remain responsive to evolving economic trends that will impact the state.



## Presenter Bio

### Karen Moore, APR, CPRC

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Karen Moore is a CEO, author, public speaker and community leader, but at the core of her being, she is a seeker. She rises early each morning for a routine that includes meditation and prayer, catching up on world news and watching one TED Talk. Her insatiable passion for discovery and learning has powered Moore through a quarter-century of success as the creative agency of choice for clients across the country.

Karen founded Moore in 1992 with a couple of interns working in one room of a tiny cottage at Tallahassee's Lake Ella. Under her leadership, the company has expanded aggressively while remaining true to her values of client success, employee development and well-being, and community impact.

Today, Moore is a fully integrated communications firm with offices located in Tallahassee, West Palm Beach, New Orleans and Denver. The company has grown exponentially, particularly in the past five years, adding talent in advocacy, branding and digital marketing. The firm has been named to Inc. Magazine's Inc. 5000 list of the "Fastest Growing Companies in America," recognized by PR News as a "Top Place to Work in PR" and honored by the American Psychological Association as a top Psychologically Healthy Workplace. Karen inspires greatness. Karen's emphasis on treating her staff like family has propelled the company to the top of Florida Trend's annual "Best Company to Work For" eight years running. Karen and her team have been awarded the highest honor in the public relations industry – a Silver Anvil Award of Excellence from the Public Relations Society of America.

Karen published her first book, "Behind the Red Door: Unlock Your Advocacy Influence and Success," in 2016. Ranked as an Amazon Best Seller and featured in Times Square, the book gives readers insights and tools they can put to work immediately including branding for your cause or issue, developing and mobilizing champions, engaging and influencing elected leaders, using social media, managing crisis communications and measuring success.

Karen's thought leadership has made her a highly sought after public speaker and contributor to national publications. She has conducted media and advocacy training sessions for Fortune 500 companies, elected officials, the British Olympic Team and has been a featured speaker at the White House Summit for Women Entrepreneurs. She has addressed more than 300 organizations on topics including advocacy, media relations, strategic planning, crisis communications, marketing and networking. Karen has been featured in esteemed national publications, most recently as a key contributor for Forbes.

