

# WORKFORCE REPORT For Palm Beach County Businesses



## PRESIDENT / CEO SPOTLIGHT

The U.S. Chamber of Commerce recently recognized Florida's outstanding commitment to workforce improvement. Its annual *Enterprising States Report* ranked Florida No. 1 in the nation for its workforce and training programs after evaluating all states on the performance of their workforce development systems.

Since Workforce Alliance has an established record of high performance among the Regional Workforce Boards in Florida, the report is also a positive indicator of the quality of the workforce development system of Palm Beach County.



We attained this success by providing a high level of service to the employers of the county.

As a further service to you, we are now analyzing the county's economic progress -- particularly after the recent recessionary period -- and compiling a series of unique and comprehensive analyses and reports.

The new Workforce Alliance *Labor Economics and Development Report* answers economic questions that are important to Palm Beach County businesses. The initial report is included in this newsletter.

Later reports will include practical "real world" assessments of local trends, track labor market data and provide a comprehensive analysis of local economic issues.

I am sure that this timely information will help your business, and other Palm Beach County businesses, anticipate changes in the economic climate and stay competitive in the regional, national and global markets.

Kathryn Schmidt  
President and CEO  
Workforce Alliance, Inc.

## NEW: EXCLUSIVE REPORT ON PALM BEACH COUNTY ECONOMY

**The Labor Economics and Development (LEAD) Report**, Workforce Alliance's exclusive report on local labor market, business intelligence and economic trends, is provided on pages 5 through 8.

This month's report focuses on the local causes of the economic recession and its impact on Palm Beach County, and will help answer the economic questions that are important to Palm Beach County businesses. In addition to practical "real world" assessments of local trends and current indicators, the semi-monthly Workforce Alliance *Labor Economics and Development Report* will track seasonally adjusted labor-market data, and provide a unique and comprehensive analysis of local economic issues.

Palm Beach County and State Workforce Data				
June 2011*				
	Population	Labor Force	Unemployed	Unemployment Rate
<b>Palm Beach County</b>	1,286,461	620,316	67,997	<b>11.0 %</b>
<b>State of Florida</b>	18,772,352	9,260,000	1,024,000	<b>11.1 %</b>

\*not seasonally adjusted

**Also in this issue:**

- pp. 2 & 3: **Learn how two local companies received Workforce Alliance grants, trained employees, improved business and avoided layoffs.**
- p. 3: **The Glades Initiative!**
- p. 4: **Sixty-two Young Adults graduate from training.**
- p. 5: **EXCLUSIVE: Labor Economics and Development (LEAD) Report – Economic analysis of PB County.**

## Training Grant Helps Hedrick Brothers Construction Company

**Hedrick Brothers Construction Company** has been a highly successful business, despite the difficulties that the overall construction industry has suffered in Palm Beach County during the past several years. The construction industry lost 800 jobs in Palm Beach County from July 2010 through June 2011, and saw a decrease of 5,200 jobs from July 2009 through June 2010.

Despite the downturn in their industry and in the overall economy during this extended period, Hedrick Brothers Construction remained a dynamic company with 120 full-time employees at its West Palm Beach location. However, the company's profitability did not reach their desired forecast.

The company recognized a need for training to keep abreast of new technologies in the changing times, upgrade employees skills and remain competitive in the industry.

To meet this need, Hedrick Brothers applied for and received an **Employed Worker Training (EWT)** grant from Workforce Alliance in the amount of \$21,484. The company contributed an equal amount of its own funds and obtained the required training from nationally renowned trainers in several specialized areas.

The results for the company and its employees have been outstanding. Hedrick Brothers Construction now looks forward to further developing leadership strategies, improving employees' skills and increasing its profitability.



Workforce Alliance Account Manager **Nancy Medina** (right) presents an Employed Worker Training (EWT) certificate and a reimbursement check to Hedrick Brothers Construction Company Director of Human Resources and Safety **Barbara L. Jarvi** (left), and President **Dale R. Hedrick**.

## Links to Workforce Alliance's Services to Businesses

The following links to the Workforce Alliance website provide information on applying for **Employed Worker Training Grants, On-the-Job Training Grants,** and more:

- [Training Grants / Incentives](#)
- [Post New Positions](#)
- [Services to Businesses](#)
- [Hiring Incentives & Tax Credits](#)
- [Professional Placement Network](#)
- [Recruitment Services](#)
- [Hiring Veterans](#)

A variety of other services are provided to assist organizations that are anticipating or going through layoffs. For complete details, contact a Workforce Alliance Business Services Account Manager at **1-800-556-JOBS (5627)**.

### EMPLOYERS:

Workforce Alliance Can  
Help  
You Find Qualified  
Employees

Use our Job Order  
Hotline:

**Tel: 1-800-556-JOBS (5627)**

**Fax: 561-340-1051**

## Real-Time Labs Receives EWT Grant to Support Business Expansion and Avoid Lay-offs

The Boca Raton-based company **Real-Time Laboratories, LLC** develops, designs and manufactures high-precision pneumatic and hydraulic components and systems for the military and aviation industries, and has more than 65 employees throughout the United States. The company applied for a Workforce Alliance **Employed Worker Training (EWT)** grant and explained that it is experiencing a business expansion.

The company needed a training program to improve its administrative and manufacturing system, enhance its productivity, eliminate inefficiencies in the use of machinery and personnel, and lay the groundwork for the company's future success and growth.

The training of existing employees, many of whom did not have the necessary skills for long-term employment, would eliminate the need for the company to search for other employees with the training and skills.

The company received a Workforce Alliance grant for \$12,366 and further contributed 55 percent of the cost of the training. As a result, the increased production capacity would allow the company to reduce its dependence on subcontractors and insure that its products are made on time, on budget and under quality control. It also gave the newly trained employees the opportunity for growth in the company and an increase in wages.



Workforce Alliance Account Manager **Nancy Medina** presents a certificate and a check for reimbursement of training costs to Real-Time Laboratories, LLC executives: (left to right) **Julio Talavera**, controller; **Claudia Silva**, staff accountant/office manager; and **Robert C. Knabe, Jr.**, general manager.

## Glades Area Targeted for Increased Employment and Economic Opportunities

Workforce Alliance is working with Glades area leadership and organizations currently involved in major development projects in the area to increase local employment and economic opportunities for Glades residents.

The collaboration is with five major development projects currently underway, six additional projects scheduled to begin by the end of 2012, and one potential major project, the Inland Port Project, in ongoing efforts to boost employment and increase local economic opportunities.

Key Workforce Alliance executives and staff members recently met with the mayors and city managers from the tri-cities area of Belle Glade, Pahokee and South Bay in the first of a series of meetings.

Kathryn Schmidt, president and chief executive officer of Workforce Alliance, said, "The dialogue is part of our ongoing commitment to increase employment and economic opportunity in the Glades area and to collaborate with key community leaders in furthering these initiatives."

The five major projects now underway that are being supported by Workforce Alliance efforts in the Glades area are:

- Herbert Hoover Dike
- Court House Renovation
- Belle Glade Marina
- South Florida Water Management District Everglades Restoration
- SR 80 Improvements

During the past twelve months, from July 2010 to June 2011, Workforce Alliance placed 637 candidates in jobs connected with the above projects and placed an additional 699 individuals in other jobs in the Glades area.

**Workforce Alliance's next meeting with the leadership of the tri-city Glades area is scheduled for Aug. 24, 2011.**

# YOUTH PROGRAM GIVES 62 GRADUATES HEALTH CARE SKILLS AND CAREER OPPORTUNITIES

Sixty-two participants in the Workforce Alliance program for young adults interested in preparing for careers in the health care field successfully completed the academic program in June. Families and friends of the graduates attended a graduation ceremony that was hosted by the MorseLife Center in West Palm Beach.

The health care jobs program, which is conducted by [The Academy for Practical Nursing and Health Occupations](#) (APNHO), provides an excellent occupational program at three Palm Beach County high schools (Palm Beach Lakes, Glades Central, and Pahokee) and a program at the Academy's campus in West Palm Beach for out-of-school youth. Priority for the out-of-school program is given to non-high school graduates and high school graduates who are unemployed or underemployed.

Ike Powell, the director of youth programs for Workforce Alliance, gave the commencement address that congratulated the students and advised them to “embrace learning as a life-long process.” He reminded them of the words of Dr. Martin Luther King, Jr.: “Intelligence plus character - that is the goal of true education.”

The ceremony gave special recognition to the most outstanding students. They included:

### The program for Out-of-School students

Valedictorian – Jealine Edouard  
Salutatorian – Jazmine Towns

### Pahokee High School

Valedictorian – Kimberly Boyce  
Salutatorian – Alkesia Thompson

### Palm Beach Lakes High School

Valedictorian – Antonide Pierre  
Salutatorian – Rosenell Duversone

### Glades High School

Valedictorian – Genesis Espiricueta  
Salutatorian – Kyonna White

The program in the high schools starts with an introduction to the health care field and includes occupational skills training, basic skills remediation, tutoring, mentoring, teamwork, clinical work experience, and community service. It leads to school credits, on-the-job experience and occupational diplomas. The out-of-school program provides academic enrichment, occupational skills training, clinical work experience, and preparation for employment or advanced education in the health care/bio-medical field. Students may choose occupational course work for Medical Secretary, Health Unit Coordinator, Patient Care Technician, and a career ladder leading to Practical Nursing.

Many of the students who received the graduation certificates are transitioning to employment or additional education. Several of the students received scholarships at different colleges, while others will immediately join the workforce of local health care providers.



**Antonide Pierre, (center),** Valedictorian, Palm Beach Lakes High School class with instructor, Marylyn Campbell, and Dean Edward Booth, RN.



**Kimberly Boyce, (left),** Valedictorian, Pahokee High School class, with instructor, Linda Thicklin, RN, and Dean Edward Booth, RN.



**Genesis Espiricueta, (left),** Valedictorian, Belle Glade High School class, with instructor, Linda Thicklin, RN; Dean Edward Booth, RN; and speaker, Ike Powell.



**Michael Prophete, (left),** PB Lakes HS grad and recipient of a \$1,000 college scholarship, receives his graduation pin from Judi Miller, RN.



## Labor Economics and Development (LEAD) Report

JUNE 2011 | ISSUE 1

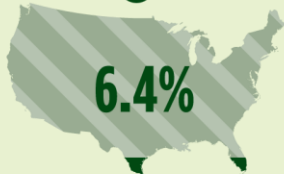
### PBC VS NATION

% TOTAL JOB LOSS



Palm Beach County

VS

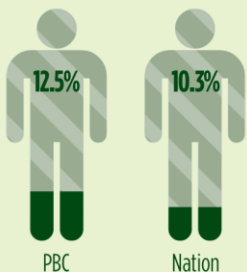


National

MONTHS IN RECESSION



PEAK UNEMPLOYMENT

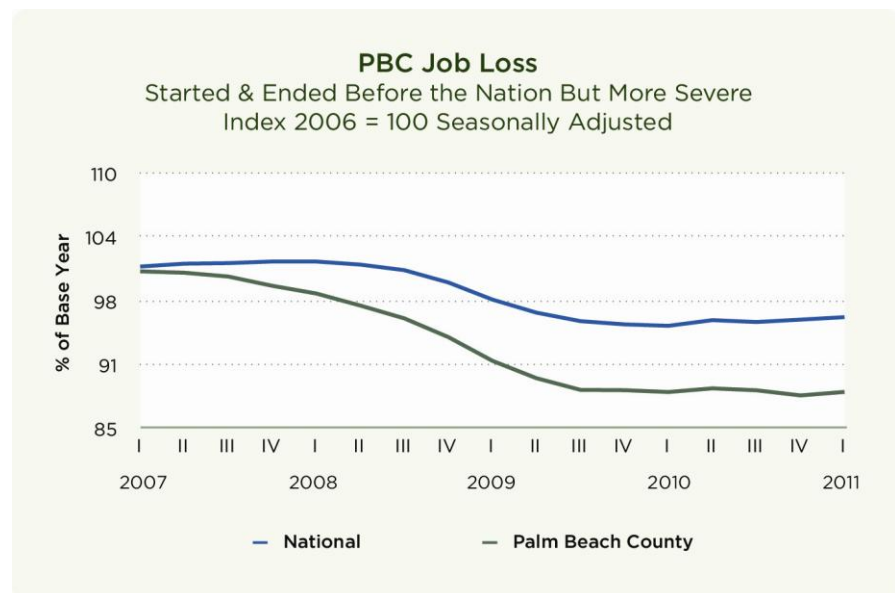


### Welcome to our Inaugural Issue of the LEAD Report

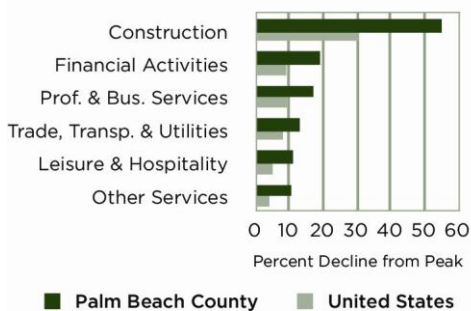
The LEAD Report is your authoritative resource for local labor market and business intelligence that tells the story behind the numbers and provides practical, "real world" assessments of local trends. With seasonally adjusted labor market data and complex analysis we are staying one step ahead of changes in the marketplace. Our first two issues will focus on Palm Beach County's experience in the recession and how we are recovering. As we begin to forecast local growth sectors, the reports will also include local economic and labor related projections while tracking current indicators. You can access the LEAD report online at [www.pbcalliance.com](http://www.pbcalliance.com)

### After the Storm: The Impact of the Recession on Palm Beach County's Labor Markets

Our most recent recession has been one of the most unpredictable that Florida has ever seen and certainly its most severe since the 1930s. While caused by the national collapse of a speculative boom in housing leading to a drop in investment in residential construction and real estate development, it was more severe in Palm Beach County because these industries are such an important part of the local economy, and because the speculative bubble was locally larger. This collapse was followed by a financial crisis as investors defaulted on mortgages and the value of securities that had been backed by "sub-prime mortgages" declined sharply. While it was the second such financial collapse since the 1930s, it was much more severe than the 1984 Savings and Loan Crisis.



## Job Losses During the Recession



Palm Beach County lost 70,000 jobs during the recession, or 12.4 percent of the total at the peak. The national economy lost 8.8 million jobs or 6.4 percent of the total at the peak. Employment was trending down in manufacturing and the information industry before the recession began due to increases in labor productivity. The most severe recession-induced declines in employment were in construction, financial activities, and professional and business services; all industries heavily dependent on construction and real estate development.

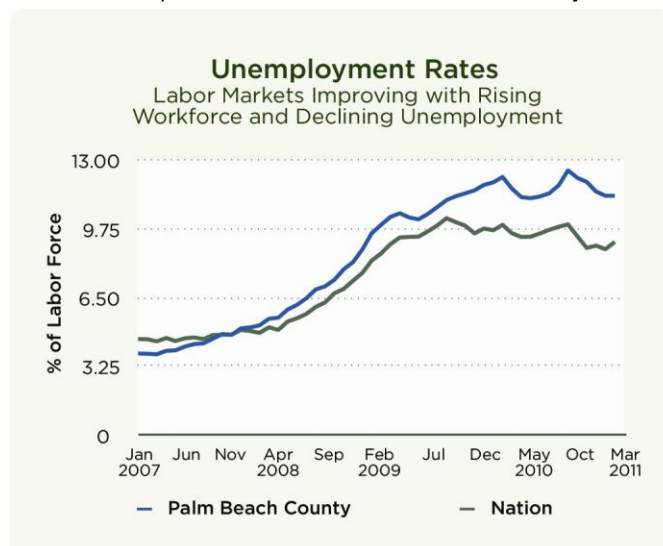
The recession began in Palm Beach County (November 2006) before the national economy (December 2007), but our local decline in jobs ended about four months earlier in September 2009 due to our appeal as a leisure travel destination and growing regional and international influences. The other industries with declines exceeding 10% of the peak workforce were industries dependent on tourism and consumer spending. The Education and Health sectors of both our local and national economies were the only ones that grew throughout the entire recession, in part due to the retirement of the Baby Boomers and the demand for increased higher education by young workers unable to find employment.

The county's labor force actually grew by 3 percent to a peak in September 2008, due mostly to net in-migration. This population growth, combined with job losses, shot our unemployment rate up to 12%. The labor market eventually came crashing back down to the 2006 level as workers left Palm Beach County, but has now resumed moderate albeit uneven growth again. In spite of this, our unemployment rate continues to fall, which is a strong signal that conditions in the local labor market are finally showing some improvement.

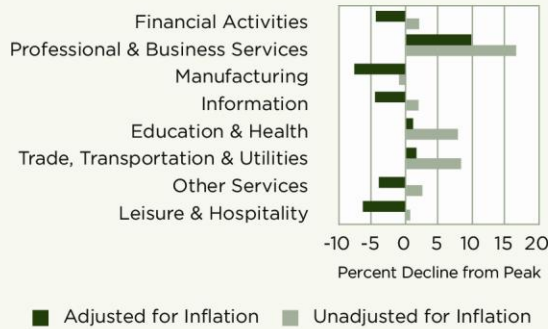
When adjusted for inflation, the county saw earnings decreases in professional and business services, financial activities and tourist-related industries (trade, transportation and utilities, other services, leisure and hospitality). Earnings in education and health, however, actually grew during the recession. While large wage declines occurred in manufacturing and information, much of these declines were due to declining productivity rather than the recession. Occupational job losses during the recession were largest in lower-skilled occupations and smallest in higher-skilled occupations such as management, professional and related occupations. This is normally true of recessions and reflects the high cost of replacing skilled workers when the economy returns to economic expansion.

The rest has become an all too familiar story. The financial crisis led to a decline in bank lending and squeezed those sectors of our local economy that rely heavily on bank credit, such as small businesses and consumers. Local consumption declined as credit tightened and households increased their saving, which spread the recession from the coast to the lake here in Palm Beach County. Our tourism industry also suffered as American consumers cut their consumption.

Several independent events also deepened the local recession. Chief among these was the sharp rise in oil and gasoline prices in 2008 which reduced consumer purchasing power, and drove up transportation and local business costs. The local tourist industry was negatively impacted by this rise in travel costs, as well as by the record cold winter of 2009-10. While we were only marginally affected by the BP Oil Spill during late spring and summer of 2010, this "perfect storm" resulted in job losses that were almost twice as severe locally as nationally.



### Percent Change in Weekly Earnings During Recession

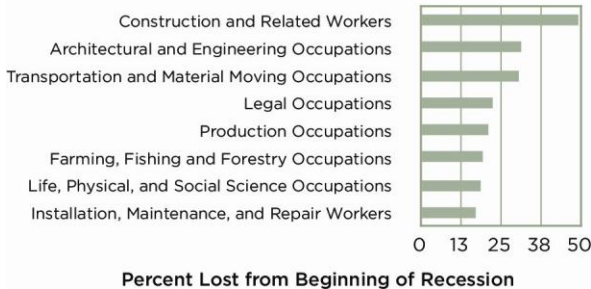


### Average Weekly Earnings\*

Occupational Category	3rd Qtr	% Change during recession	% Change inflation adjusted
Leisure & Hospitality	\$426.72	0.2	-6.5
Other Services	\$599.94	2.6	-4.1
Trade, Transportation & Utilities	\$748.95	8.4	1.7
Education & Health	\$896.64	7.9	1.2
Information	\$1,098.87	2.0	-4.7
Manufacturing	\$1,110.64	-1.1	-7.8
Professional & Business Services	\$1,195.40	16.7	10.0
Financial Activities	\$1,365.59	2.1	-4.6

\*Earnings in construction are not available on a quarterly basis, perhaps because there are not enough "covered" workers: employees instead of independent contractors.

### Job Losses in Worst Hit Occupational Categories



Eight occupational categories had greater than the 12 percent loss recorded across the county's employment as a whole. The largest losses were experienced in construction and related workers followed by architectural and engineering occupations. Legal occupations were also affected by the decline in real estate and construction. Even farming, fishing and forestry were affected because of sod farming and farming of plants used in landscaping. It is noteworthy that the Worst Hit Occupational Categories (shown at left) do not include many tourist-related occupations, suggesting that this part of the historical triad of major industries in the county (agriculture, construction and tourism) did not experience the same amount of distress as did the other two.

**Back to the Future...** The last national recession was in 2001, but it was relatively mild because manufacturing led the economy downwards and this is a relatively small part of the local economy. The previous recession, in 1990-91, was led by construction and real estate, and it was more severe locally than nationally because of the relative importance and concentration of the industry. It took just 18 months from the recession peak to resume job growth, partly because it primarily involved commercial, rather than our large residential sector. The local decline in jobs from our latest recession lasted almost twice that (33 months) with another 20 months spent bumping along the bottom due to the sheer size of the speculative bubble and the corresponding financial crisis. In spite of severe job losses, the local real estate and construction industry remains strong as many firms stay local but expand their services to other counties across the State.

### Jobs Recessions in Palm Beach County

Monthly Data, Seasonally Adjusted Index  
Recession Peak = 100



### Housing Remains Anchored In Recession

While the broader economy is slowly but painfully recovering, housing remains anchored in recession. The free fall in home prices that began in 2007 appeared to end in 2009 and even showed some hopeful signs of recovery. That recovery, however, was short-lived and to this date has

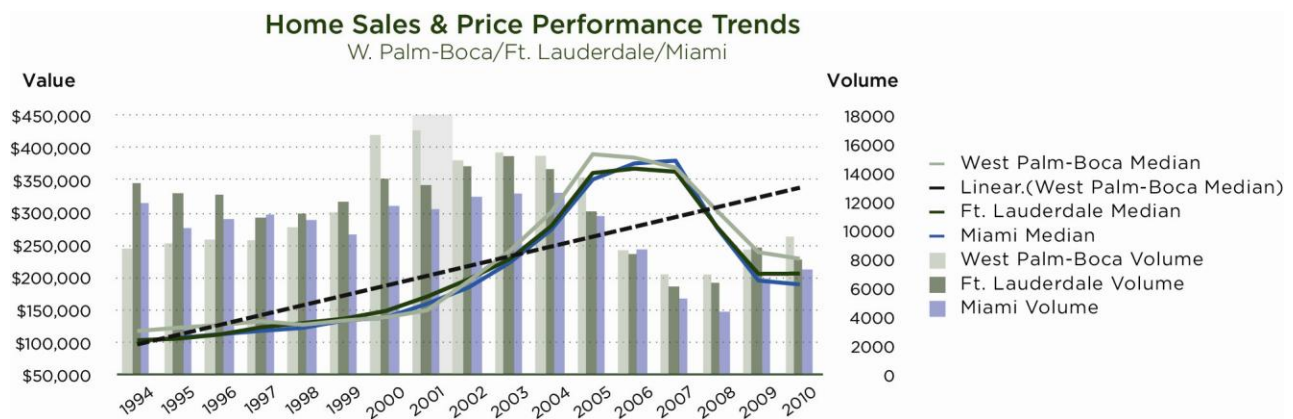
proven elusive. For example, the widely regarded S&P/Case-Shiller Index of existing home prices showed prices declined another 4.2% in the first quarter of 2011 after falling 3.6% in the fourth quarter of 2010. The current reading represents an annual decline of 5.1% and prices have now returned to 2002 levels. Moreover, 12 of the 20 cities surveyed by Case-Shiller reached new lows in March with Miami and Tampa leading the way with year-over-year declines of 6.1% and 6.9% respectively.

The National Association of Realtors also shows existing home sales volume and price declining while inventories continue to rise. New home sales by builders plunged to a mere 250,000 units in February (nationwide seasonally adjusted annual rate). This is also the lowest level since record keeping began 50 years ago.

Florida existing home prices statewide and in all key Metropolitan Statistical areas have declined by more than 50% from peak to trough. Statewide, the decline was nearly 53% as it was in Palm Beach County. Existing median home prices in Palm Beach County reached a peak of \$421,500 in November 2005 and fell to a new low of \$198,800 in April 2011. Had Palm Beach County continued its natural rate of growth and not experienced the extreme run-up then collapse, the median price would likely be in the low \$300,000 range today rather than its currently depressed level.

The problem, both locally and nationally, is supply side in nature. There are simply too many homes offered for sale. The problem is exacerbated by continuing foreclosures, lingering unemployment and sagging consumer confidence. The problem has no quick or easy fix and it will likely be several more years before housing recovers.

Commercial real estate was not immune. It followed the same bubble inflation pattern as housing but did so about 18 months later. The collapse, however, was both faster and steeper and prices remain down 35% to 50% from their December 2007 peak.



In the Next Issue: Find out which five industries are leading Palm Beach County into recovery and what's driving our most rapidly growing local occupations.

Produced by Workforce Alliance of Palm Beach County



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Fax: 561-340-1051

### LINKS TO PALM BEACH COUNTY LABOR MARKET INFORMATION

- [Fastest Growing Occupations](#)
- [Occupations with the Most Openings](#)
- [Occupations by Education Level](#)

### LINKS TO OUR EMPLOYER SERVICES

- [Services to Businesses](#)
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## CAREER CENTER LOCATIONS

### Central Career Center & Professional Placement Network

1951 North Military Trail, Ste. D  
**West Palm Beach, FL 33409**  
Telephone (561) 340-1060



[Click here](#)

### South Career Center & Professional Placement Network

951 Yamato Road, Room 105  
**Boca Raton, FL 33487**  
Phone: (561) 853-0181 ext. 2017  
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**Belle Glade, FL 33430**  
Telephone (561) 829-2040



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