

It's all about the Workforce

Well, almost. It seems like wherever we are in North America doing work on behalf of our corporate clients, or doing strategy work for a region or community, what we hear wherever we go is the demand for a skilled workforce. It doesn't matter if we're in the Pacific Northwest or the Deep South, workforce shortages is the common denominator. To me, our community colleges and technical schools are unsung heroes since they are working diligently to train a workforce to meet local demands. Many of these institutions have a serious outreach to local employers on what those needs are, and then they adjust and modify the school's curriculum to meet that need. In today's world, academia must be adaptive, fluid and nimble if they are going to meet the ever changing needs of employers. It's a sea change for academia, but one that must be met to achieve success for communities and regions.

I alluded in the beginning of this article that there was one more item that is of equal importance to workforce based on what we have observed in our site location work. It's costs. The cost of doing business in a community is still as important today as it was 75 years ago. To demonstrate that, *Area Development Magazine* surveys companies each year to determine what factors are important to them in the location process. Consistently, cost factors always seem to dominate. In the slide below, 8 out of 12 factors are all cost related. Cost is still King, but having a ready supply of skilled workers meeting the needs of local industry sectors may be the Emperor.

Facility Siting Process

Fundamentals and Trends: Cost is Still Important!!

SITE SELECTION FACTORS AS NOTED BY COMPANIES		
Ranking	2010	2009
1. Highway accessibility	97.3	92.9(2)**
2. Labor costs	91.0	96.7(1)
3. Tax exemptions	90.9	88.4(3)
4. Occupancy or construction costs	89.8	86.7(7)
5. State and local incentives	89.3	84.9(8)
6. Corporate tax rate	86.3	87(5)
7. Availability of skilled labor	85.9	86.9(6)
8. Energy Availability and costs	82.1	88.0(4)
9. Availability of buildings	81.0	75.7(127)
10. Low union profile	75.4	75.8(11)
11. Available land	73.4	75.7(12)
12. Proximity to major markets	66.4	73.3(15)

** (2009 ranking)

Source: Area Development Magazine 2011