



Good Jobs for All Americans

**Regional Workshop
Pittsburgh, Pennsylvania**

Thursday, September 13th, 2018

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Armchair Chat:

Good Jobs for All Americans

The Honorable Steve Bullock, Governor, Montana

The Honorable Tom Wolf, Governor, Pennsylvania

Moderator: Martin Simon, Interim Director, National Governors Association

Center for Best Practices, Economic Opportunity Division



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Workforce of the Future:

Positioning State Economies for Success

The Honorable Steve Bullock, Governor, Montana

The Honorable Boyd Rutherford, Lieutenant Governor, Maryland

John McElligott, CEO, York Exponential



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Workforce of the Future:

Positioning State Economies for Success

Small Group Discussion Questions

- What would need to be different for states to be nimbler and more adaptable to future trends?
- What are the elements of a successful strategy in this area?
- What do governors need to know to act in this area?



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Second Acts: Reskilling Mid-Career Workers

Eva Sage-Gavin, Senior Managing Director, Talent and Organization, Accenture



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Second Acts:

Reskilling Mid-Career Workers

Small Group Discussion Questions

- How can states better meet the needs of mid-career workers?
- What are the elements of a successful strategy in this area?
- What do governors need to know to act in this area?



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Rural Resurgence: Empowering the Rural Workforce

Stephen Goetz, Director, USDA Northeast Regional Center



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NGA Regional Leadership Workshop: *Rural Trends, Issues and Opportunities in the Northeast U.S.*

Stephan J. Goetz, Ph.D.

Professor of Agricultural and Regional Economics
Director, Northeast Regional Center for Rural Development
The Pennsylvania State University

September 12-13, 2018, Pittsburgh, PA

This presentation draws on work underway or completed under various USDA/NIFA grants. The work would not be possible without the funding, which is greatly appreciated.



PennState
College of Agricultural Sciences



Four Key Mega-Trends affecting rural areas, OECD 2018

- Population aging and migration
- Urbanization (agglomeration)
- Global shifts in production
- Technological Breakthroughs

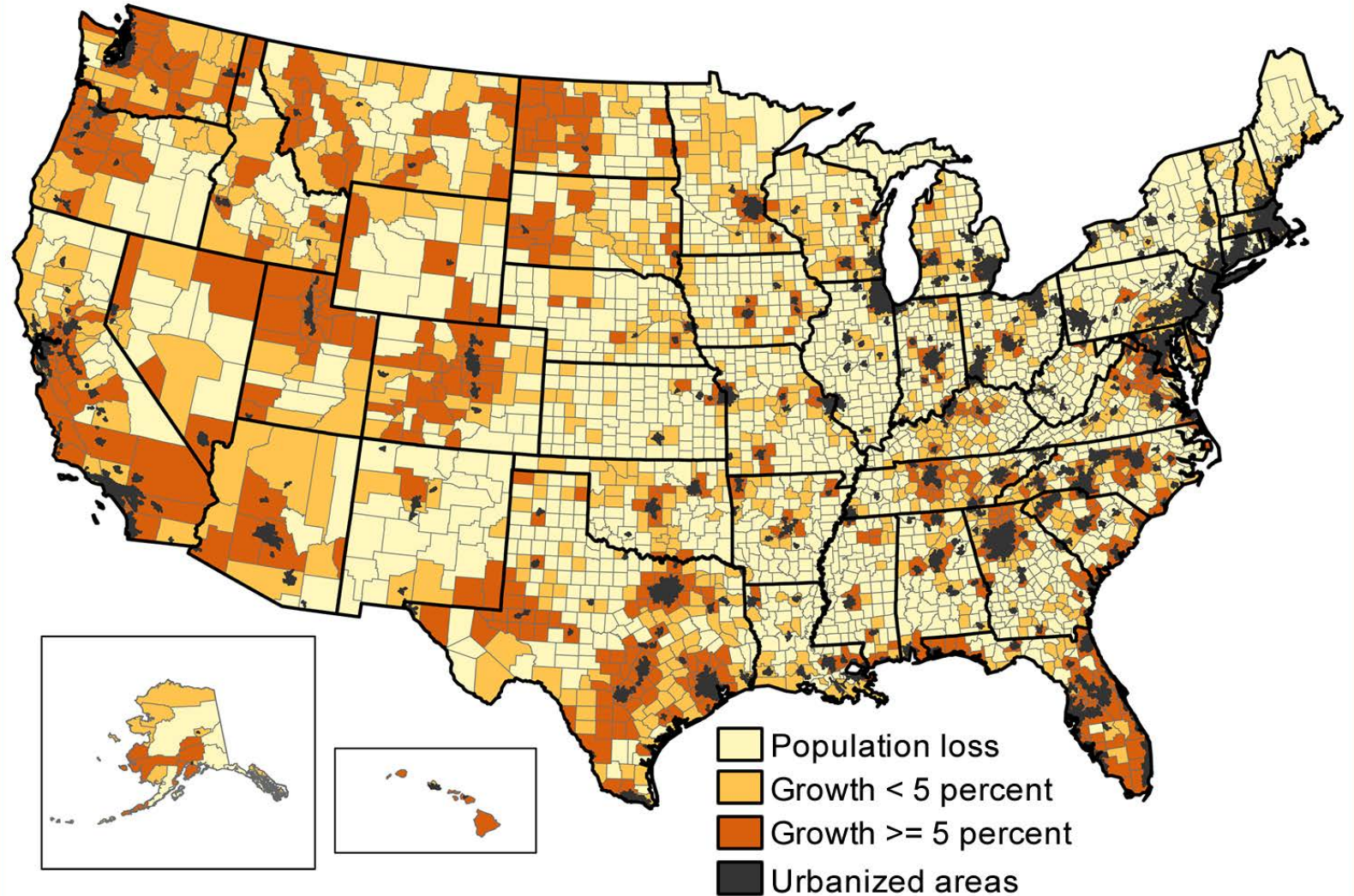
OECD: Organization for Economic Development and Cooperation (2018), *Rural 3.0: A Framework for Rural Development*, and Author

Population aging and migration

Widespread Non-metro population loss in the Eastern U.S.

- Rural workers drawn into cities: push and pull factors
- Leaves behind an aging population

Population change, 2010-17



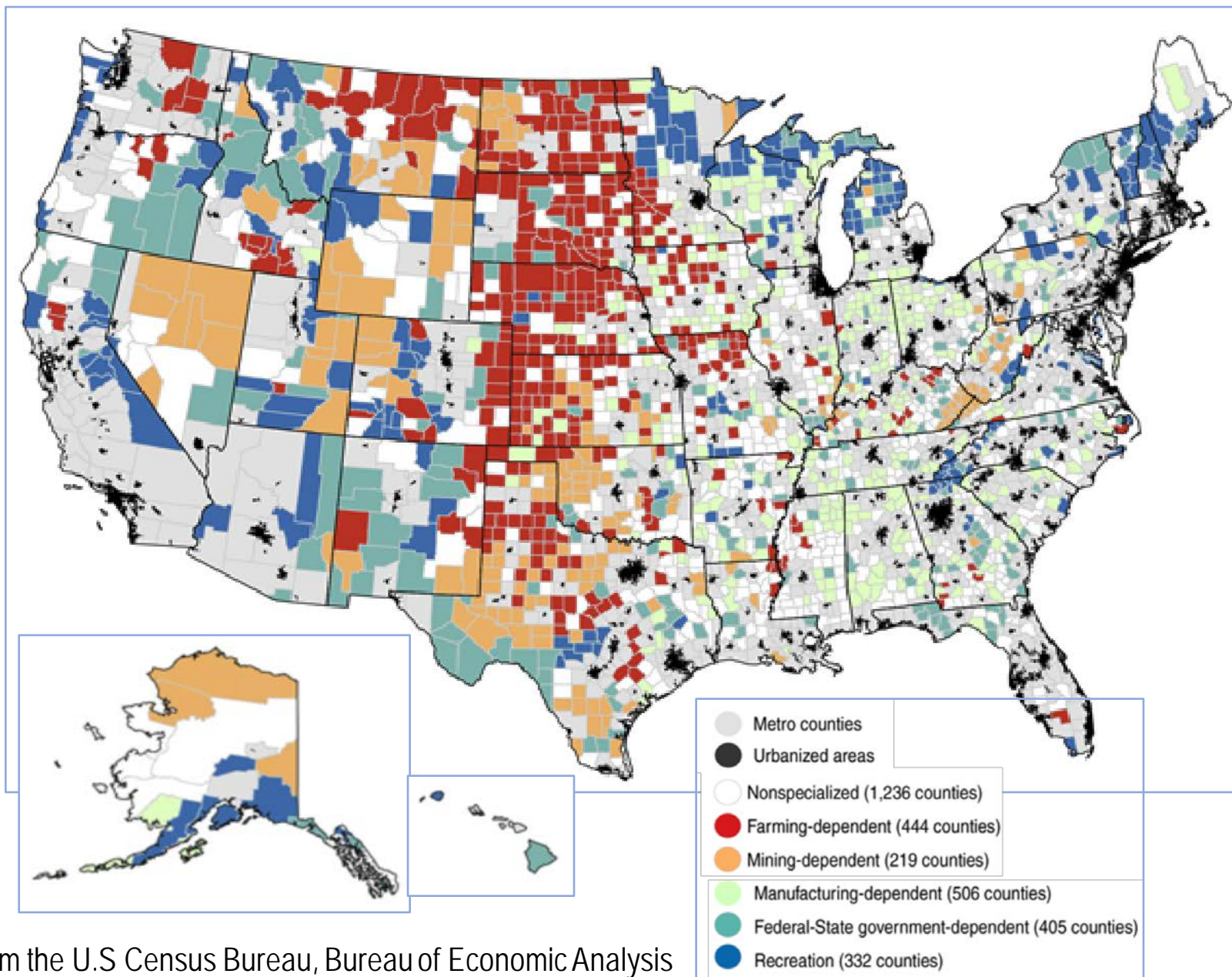
Source: USDA, Economic Research Service using data from the U.S. Census Bureau.



Industry dependence of rural counties, 2010-12

Different industries dominate in different counties...

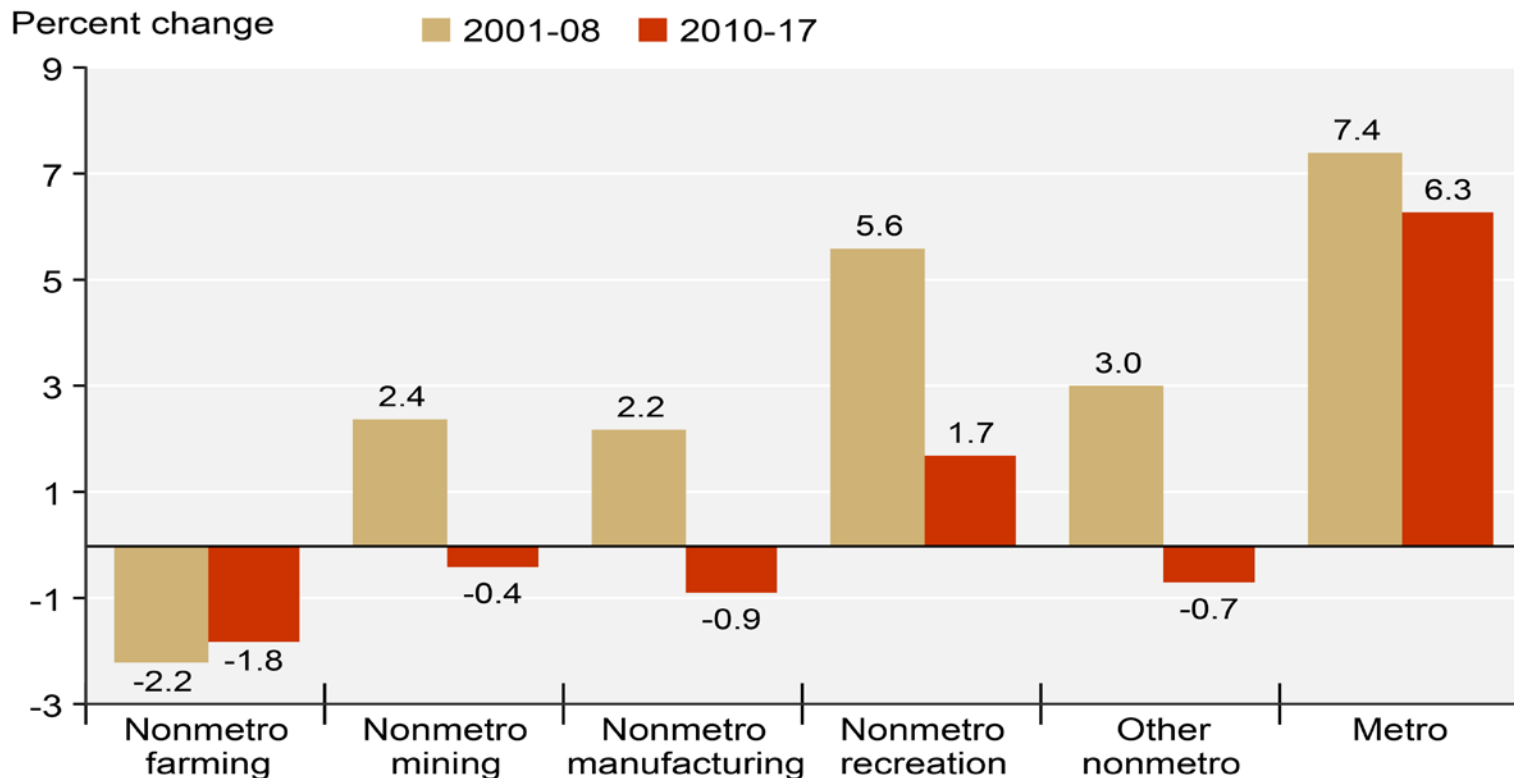
Recreation is important in northern New England, Great Lakes, especially. Also Western U.S., Alaska



Source: USDA Economic Research Service using data from the U.S Census Bureau, Bureau of Economic Analysis

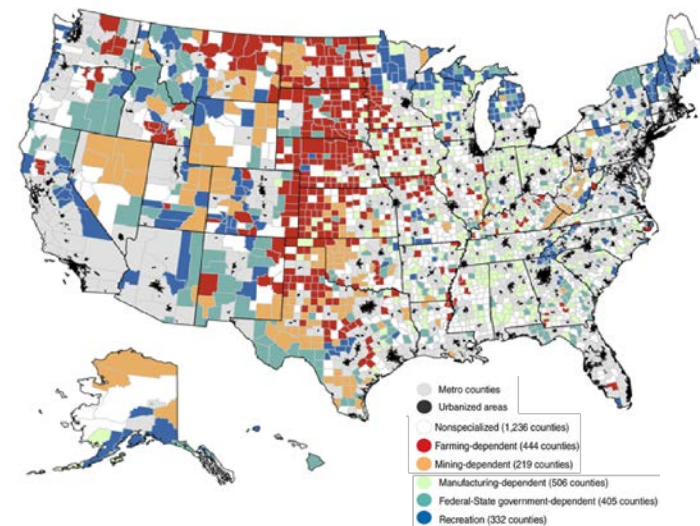
Population Change depends on Dominant Industry

Population change by county type, 2001-08 and 2010-17



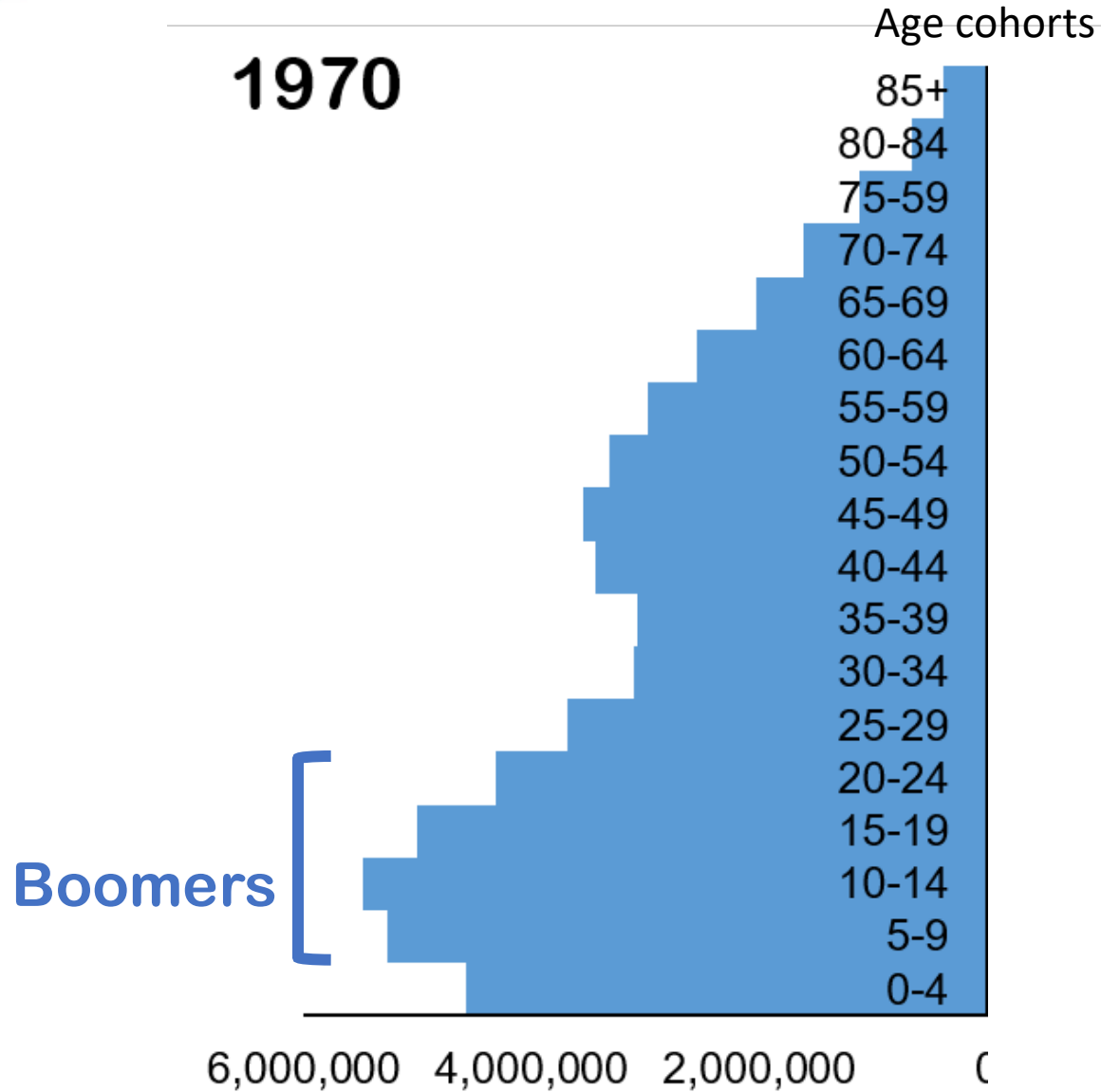
Note: County types are described in the ERS County Typology Codes data product:
<http://www.ers.usda.gov/data-products/county-typology-codes.aspx>

Source: USDA, Economic Research Service using data from the U.S. Census Bureau.

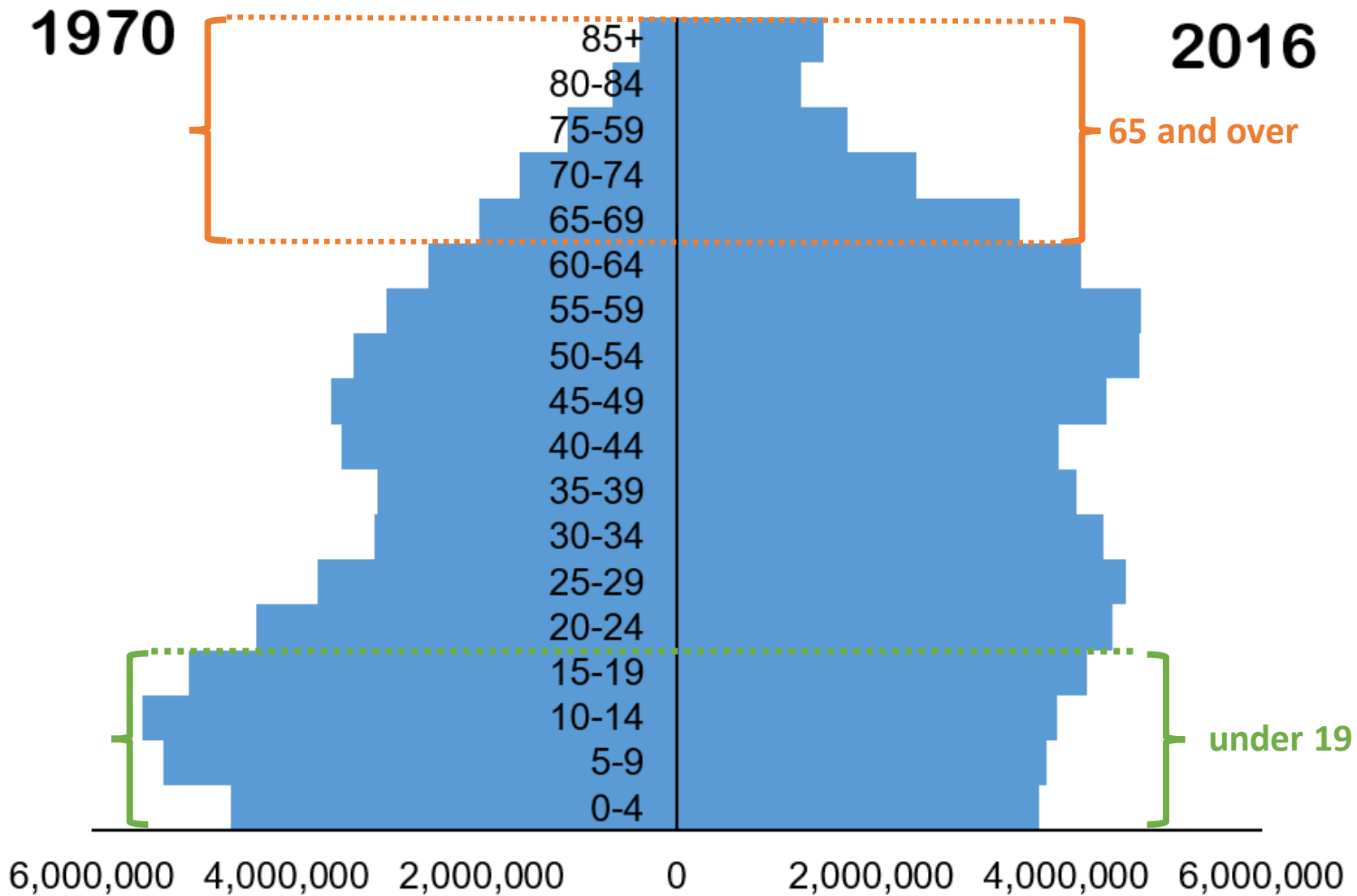




Population pyramid, the Northeast

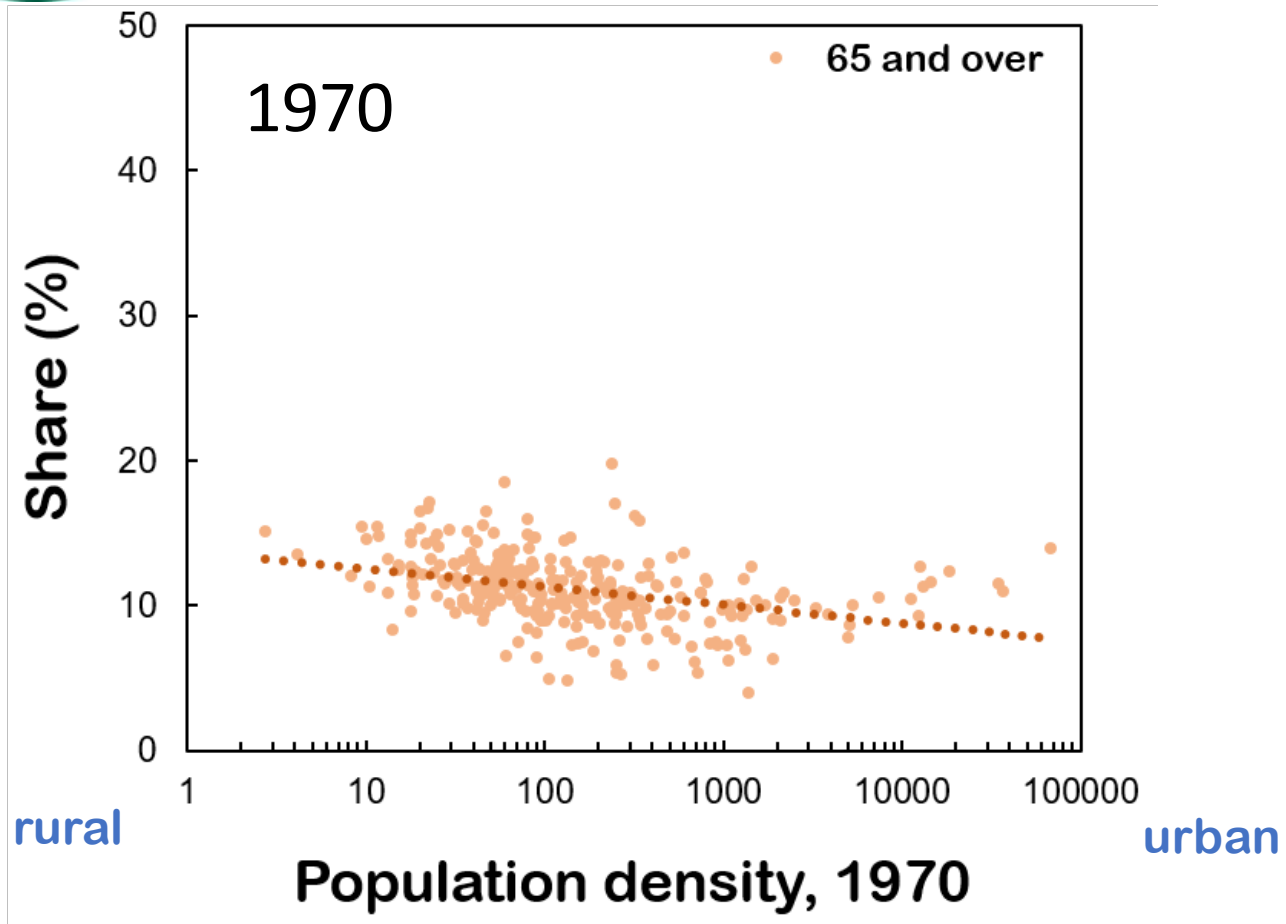


Population pyramid, the Northeast





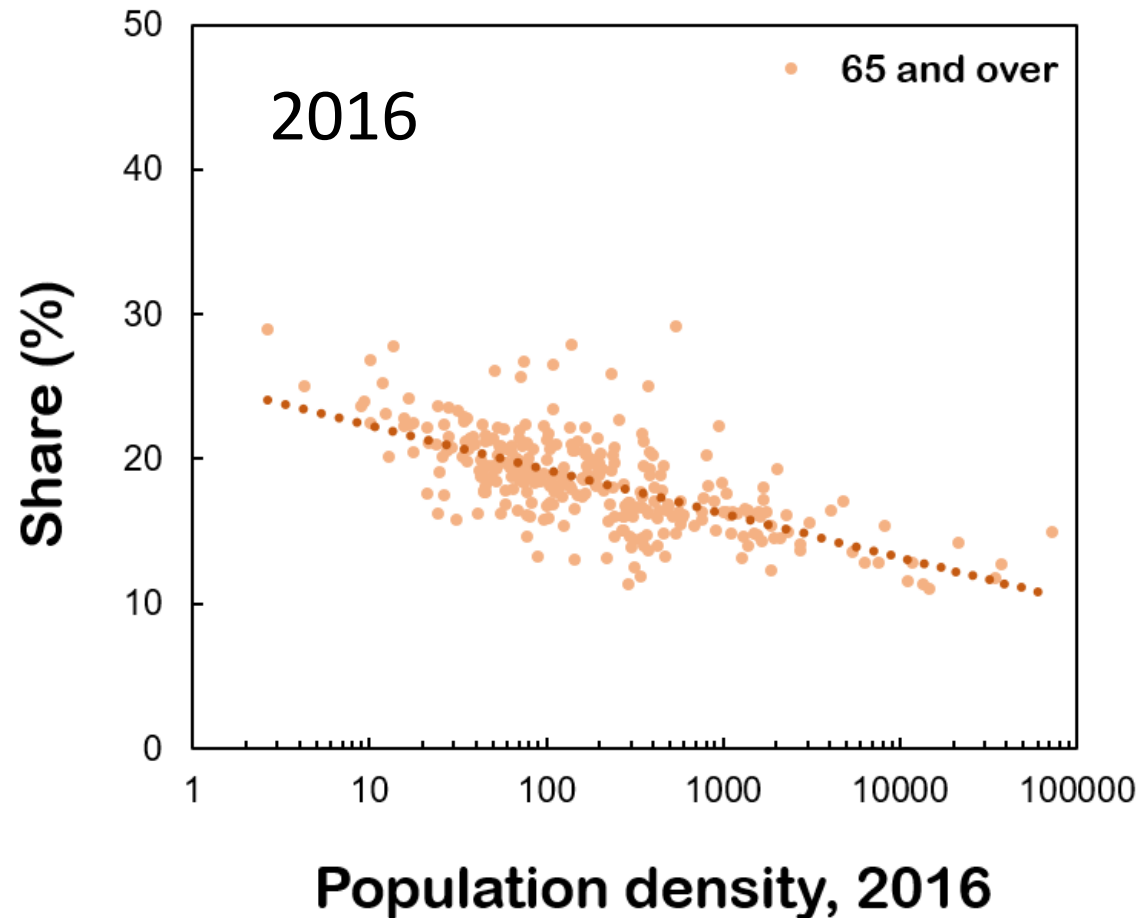
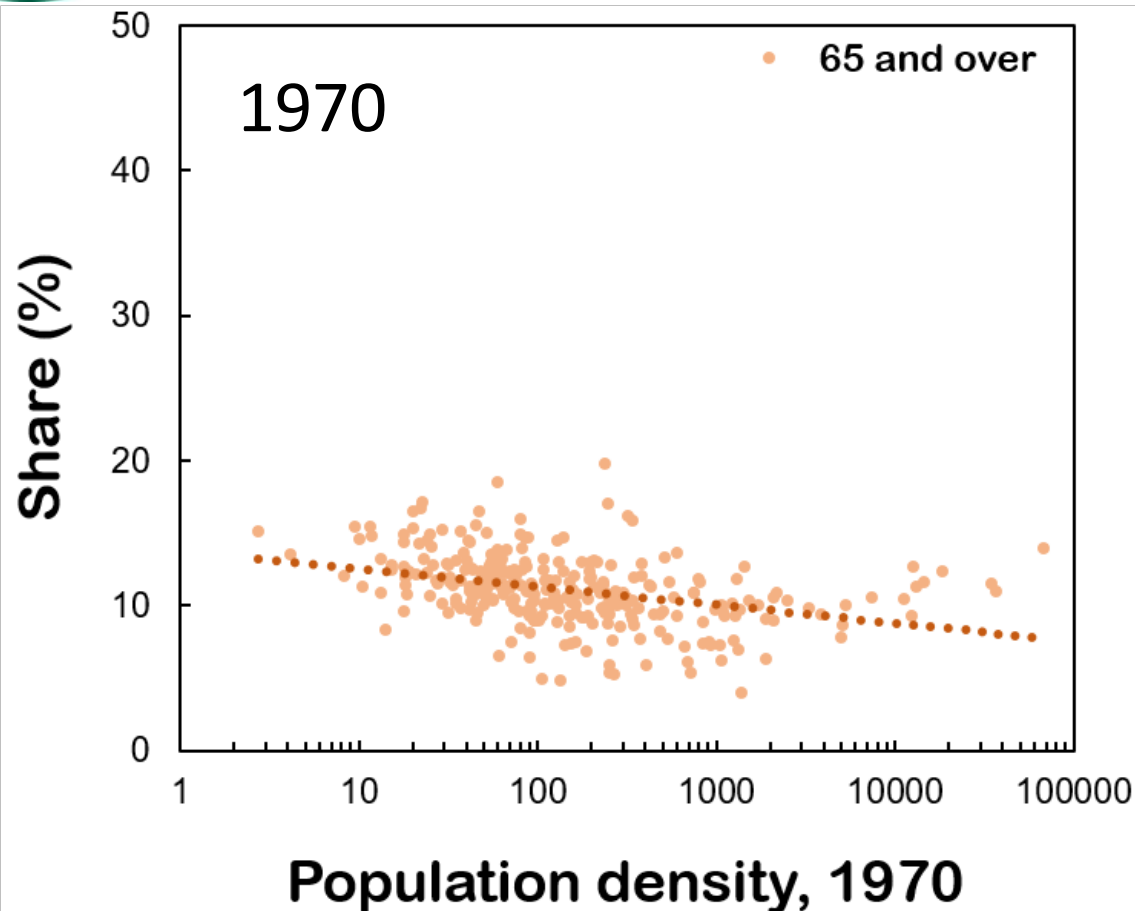
Age cohorts vs. pop density, NE counties



	R^2	t	β
65 and over	0.1324	-5.80	-0.3638



Age cohorts vs. pop density, NE counties

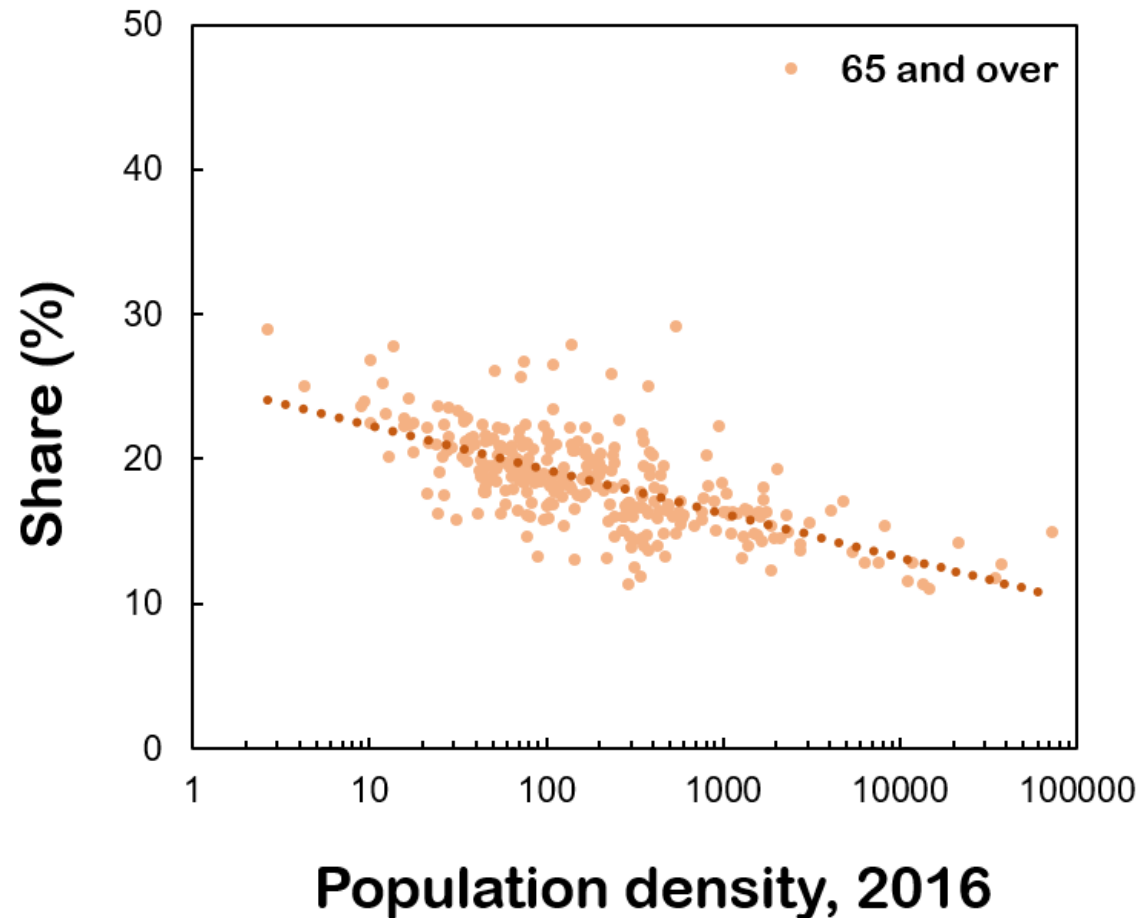
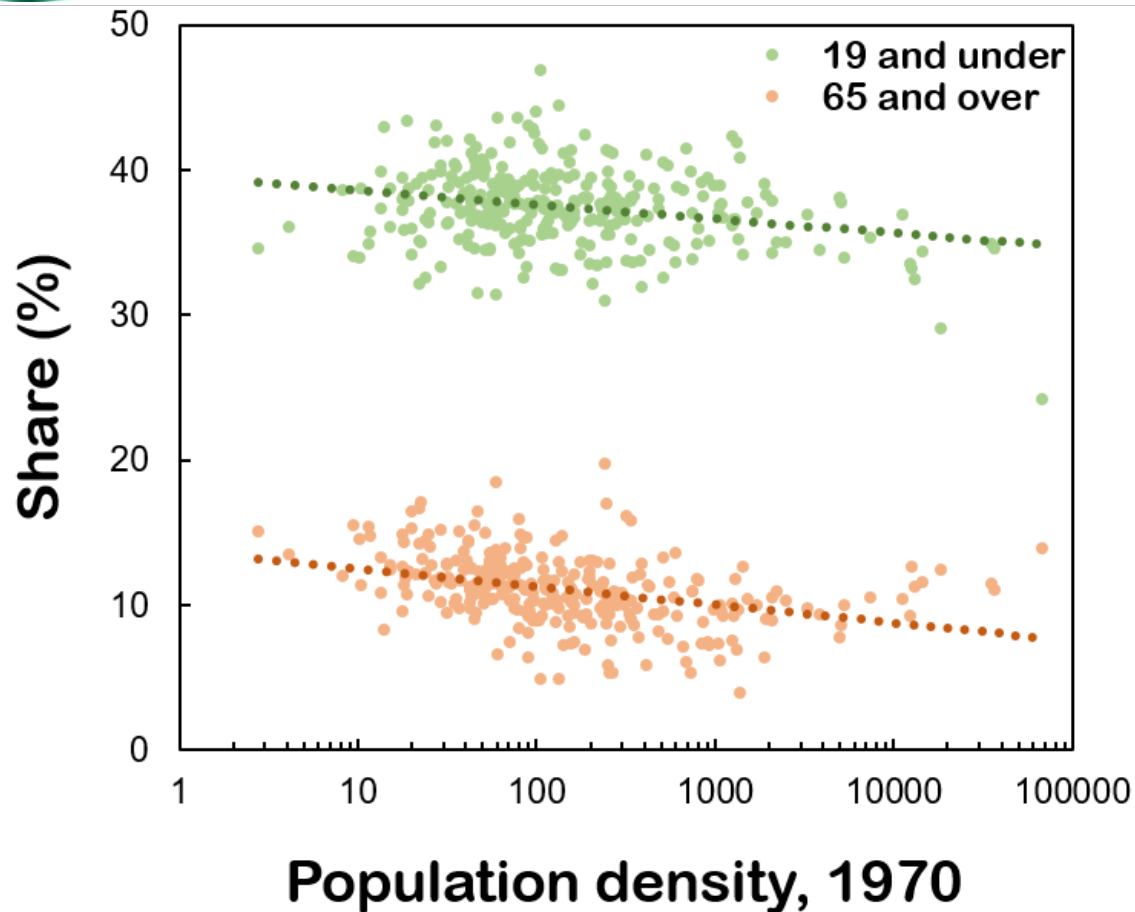


	R^2	t	β
65 and over	0.1324	-5.80	-0.3638

	R^2	t	β
65 and over	0.4324	-16.62	-0.6576



Age cohorts vs. pop density, NE counties

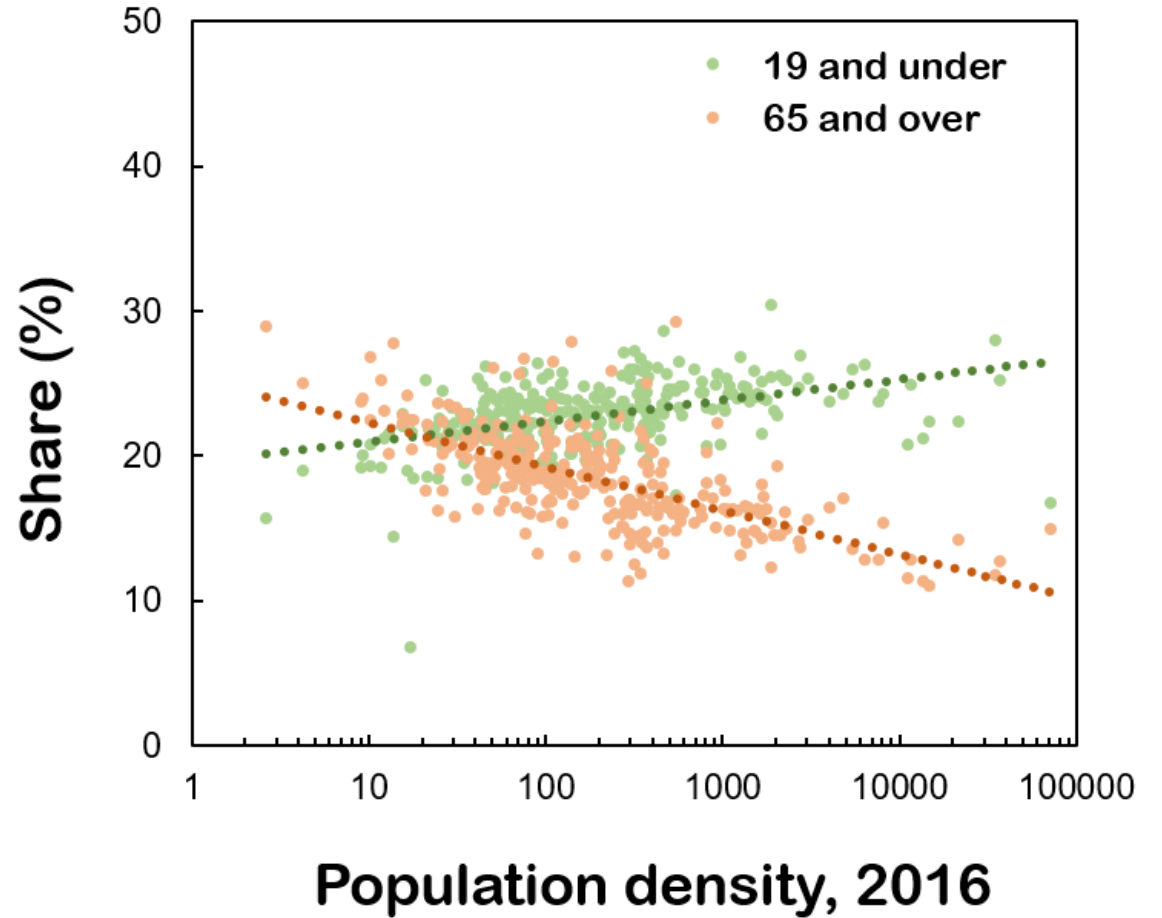
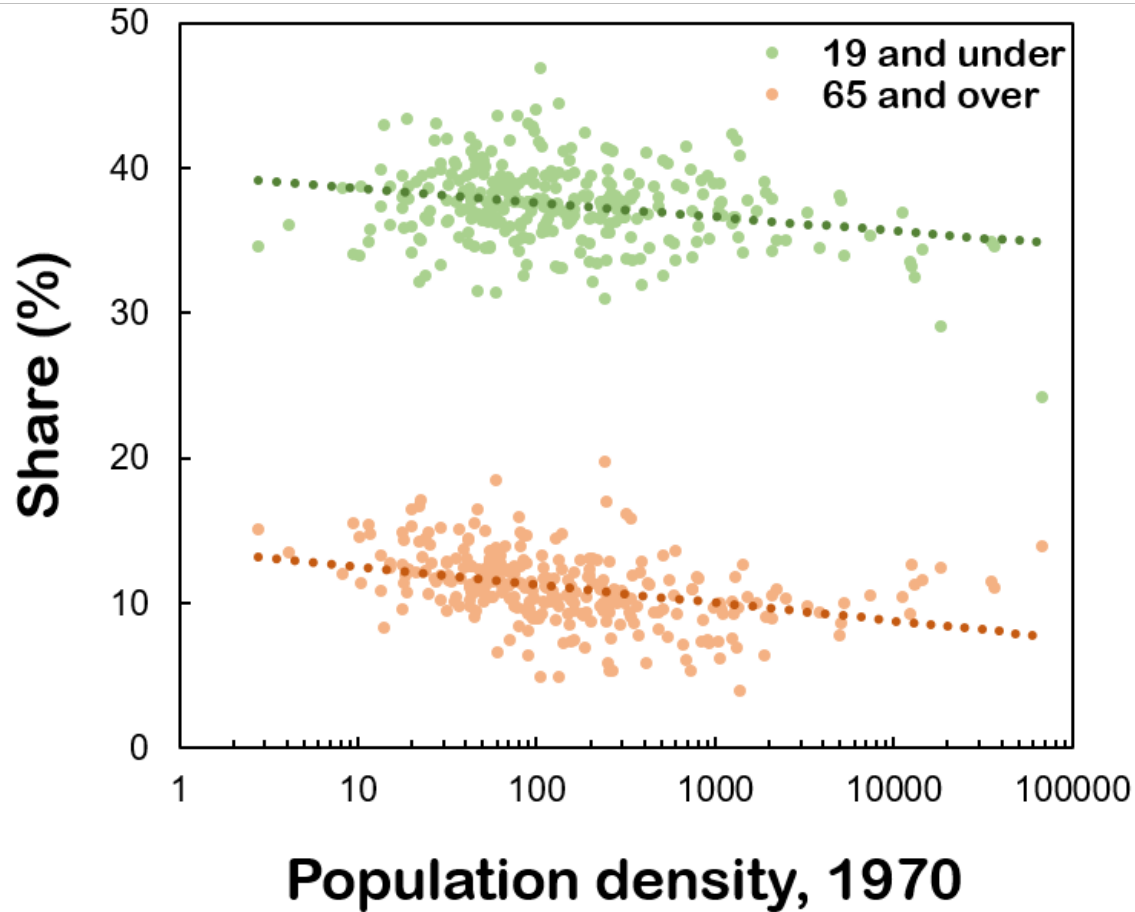


	R^2	t	β
19 and under	0.0619	-3.41	-0.2487
65 and over	0.1324	-5.80	-0.3638

	R^2	t	β
65 and over	0.4324	-16.62	-0.6576



Age cohorts vs. pop density, NE counties



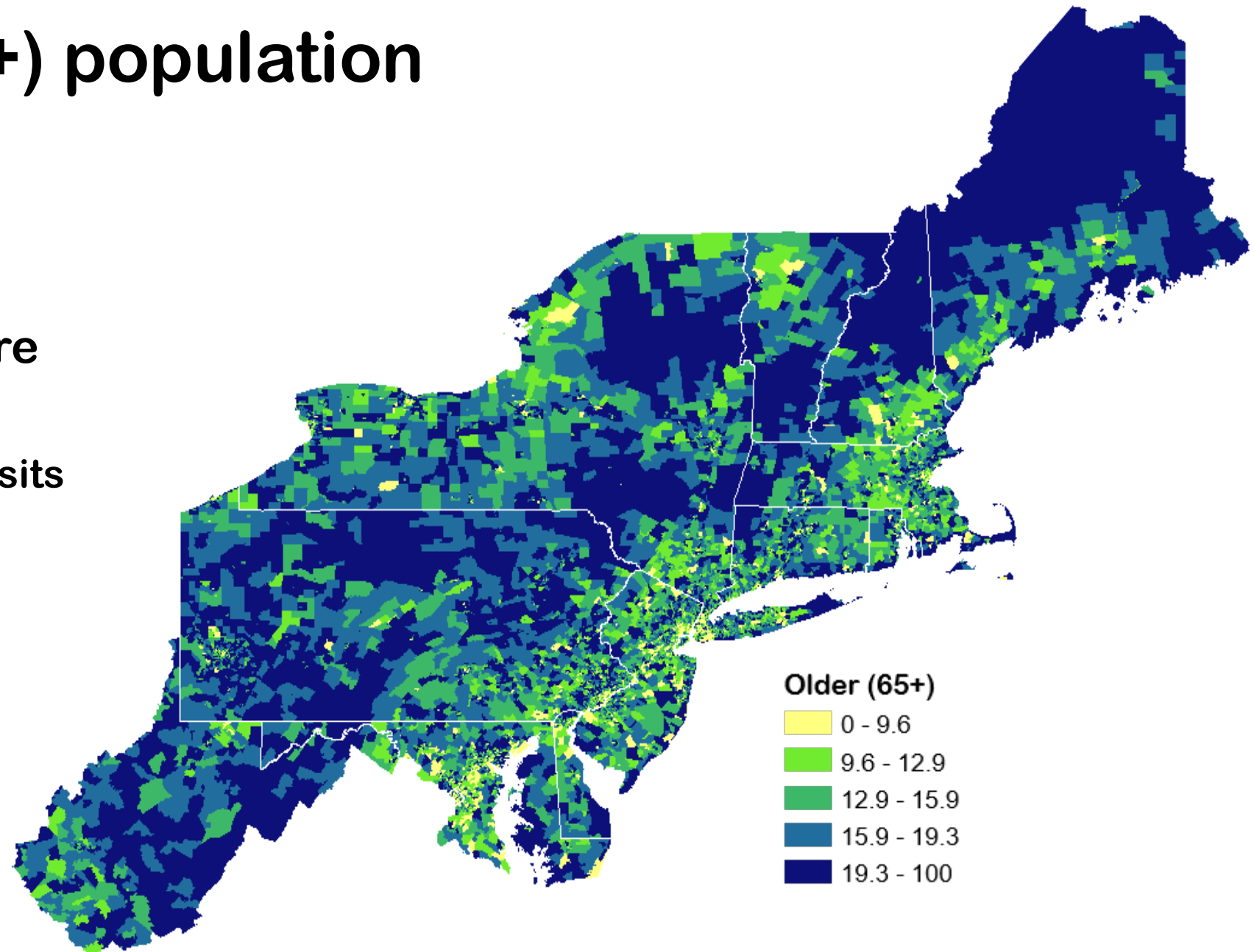
	R^2	t	β
19 and under	0.0619	-3.41	-0.2487
65 and over	0.1324	-5.80	-0.3638

	R^2	t	β
19 and under	0.1930	5.49	0.4393
65 and over	0.4324	-16.62	-0.6576



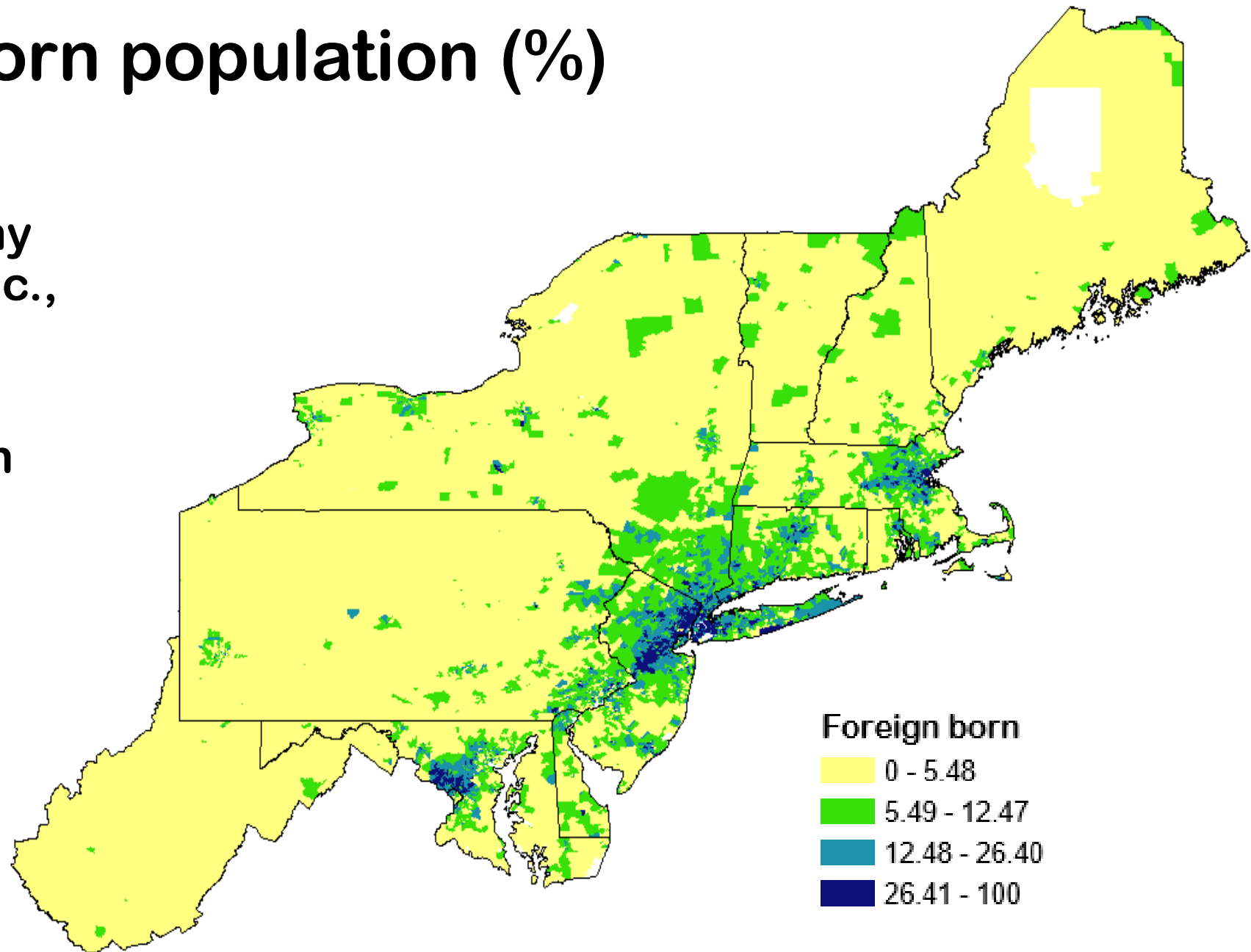
Older (65+) population

- Not enough young workers to provide care
- Medical care...
 - 50% of primary care visits online in California
 - Medicines via drones
 - Robots as care givers



Foreign-born population (%)

- Foreign-born hold many entry level jobs, in agric., manufacturing, construction
- But they are locating in cities
- May need help with integration



Urbanization and agglomeration

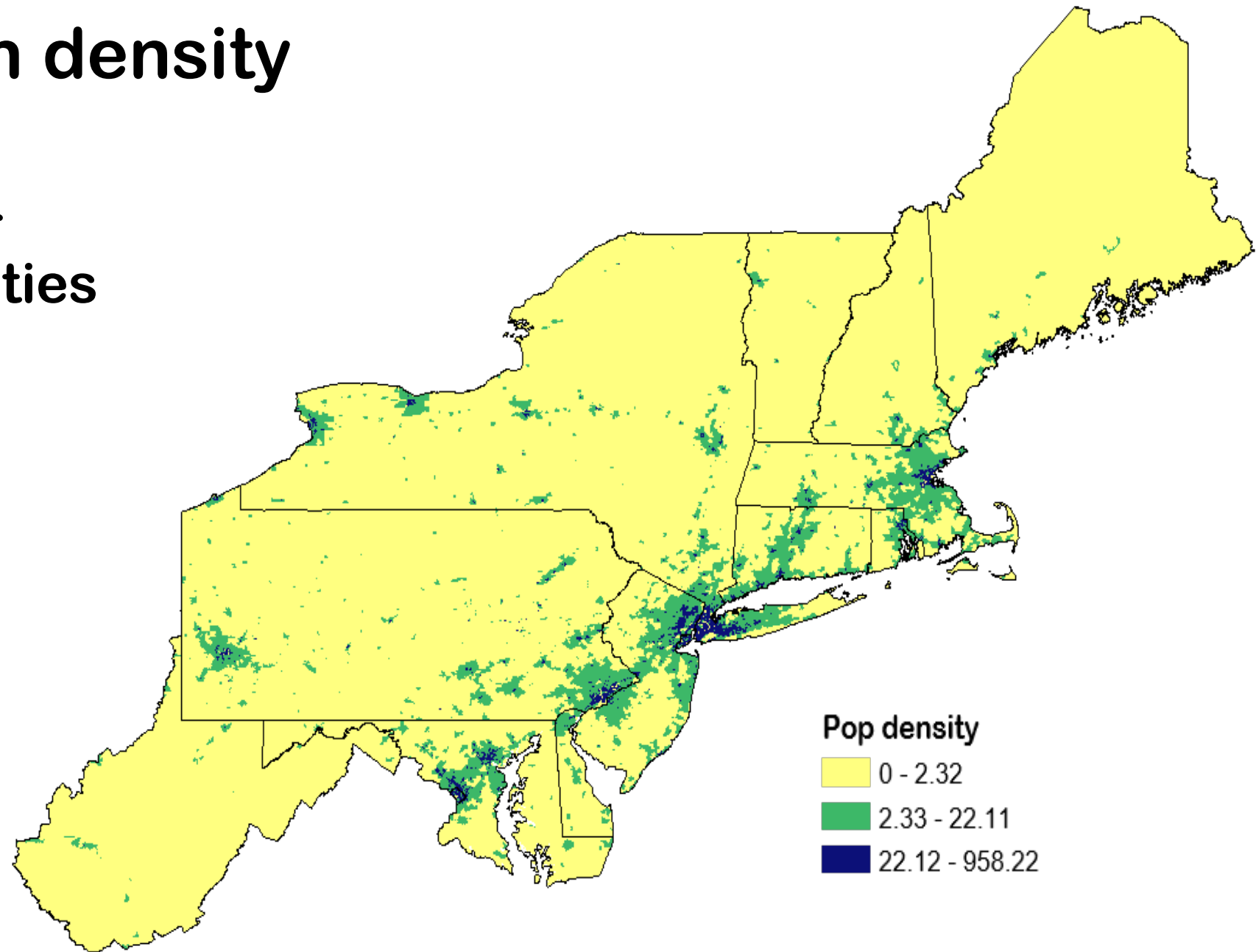
Urbanization (and agglomeration)

- **Over one-half of world population now lives in cities (55%)**
 - By 2050: it will be two-thirds (68%)¹
- **Driven by agglomeration economies (push/pull factors)**
 - Better matching in job, marriage markets
- **More opportunity for innovation from spillovers**
 - Rate of patent citations declines with distance
- **Political power shifting away from rural areas**
 - Rural discontent → need new frameworks, inclusion mechanisms

¹UN Dept. Economic and Social Affairs (2018)

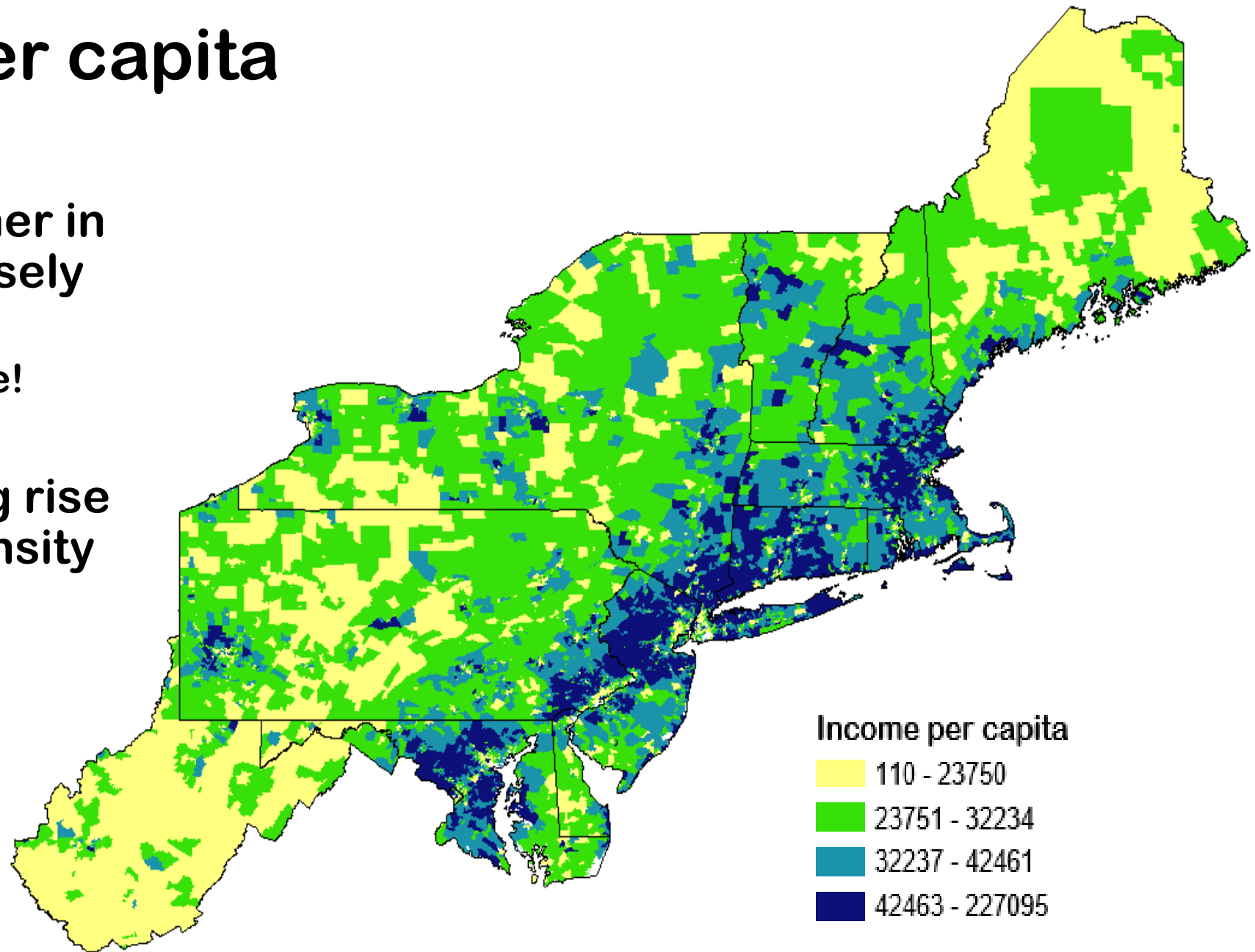
Population density

- More people per square mile in cities



Income per capita

- Income also is higher in cities, or more densely settled places
 - But not everywhere!
 - Inner cities
- Also, costs of living rise with population density



Global shifts in production

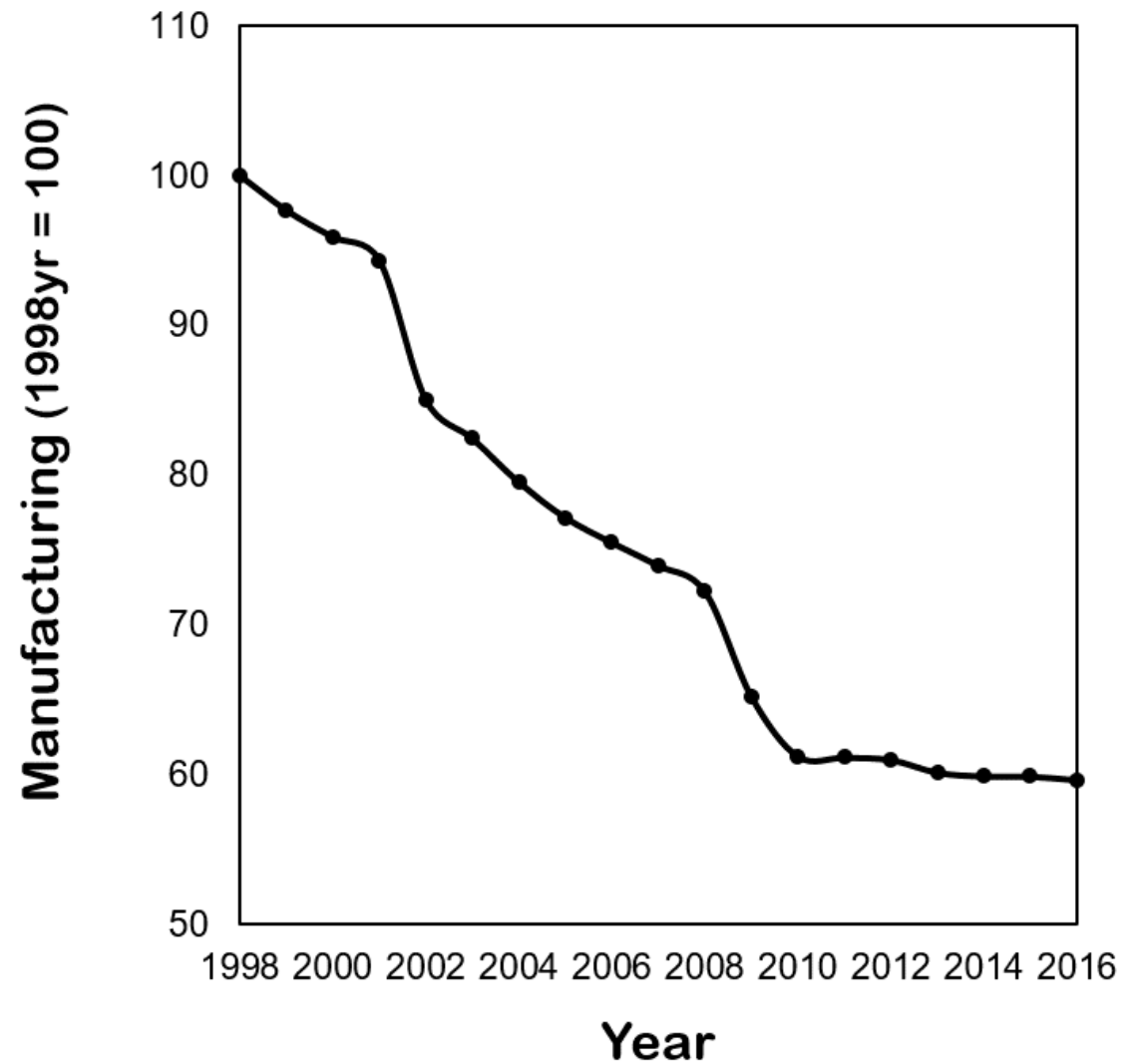
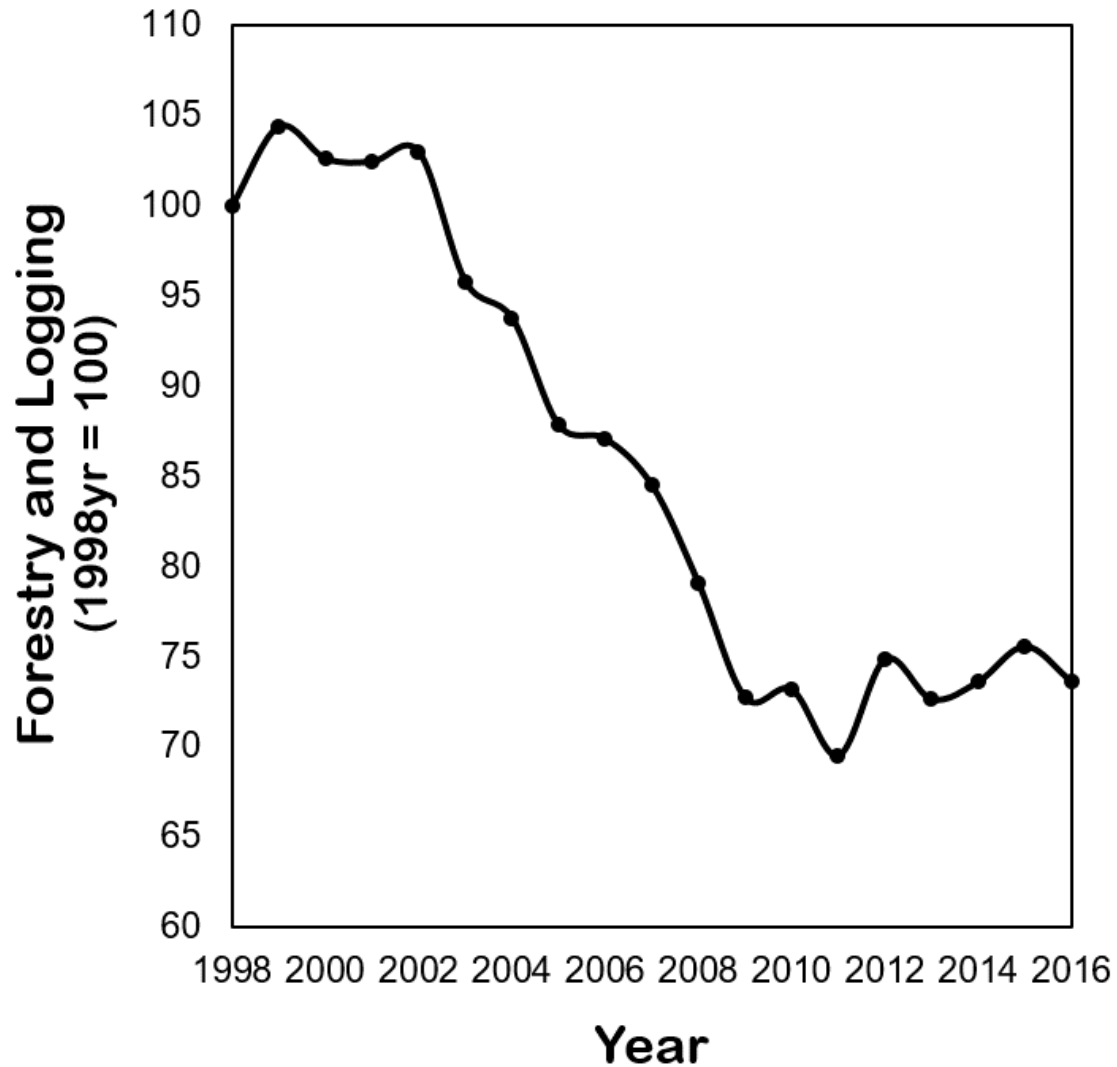


Global shifts in production

- Goods and services production increasingly spread around the globe...
- Account for rising “populism,” “rural resentment”?
- Rising rates of opioids-related death: supply vs. demand
- Ten of top 12 states in death rates are in the Northeast

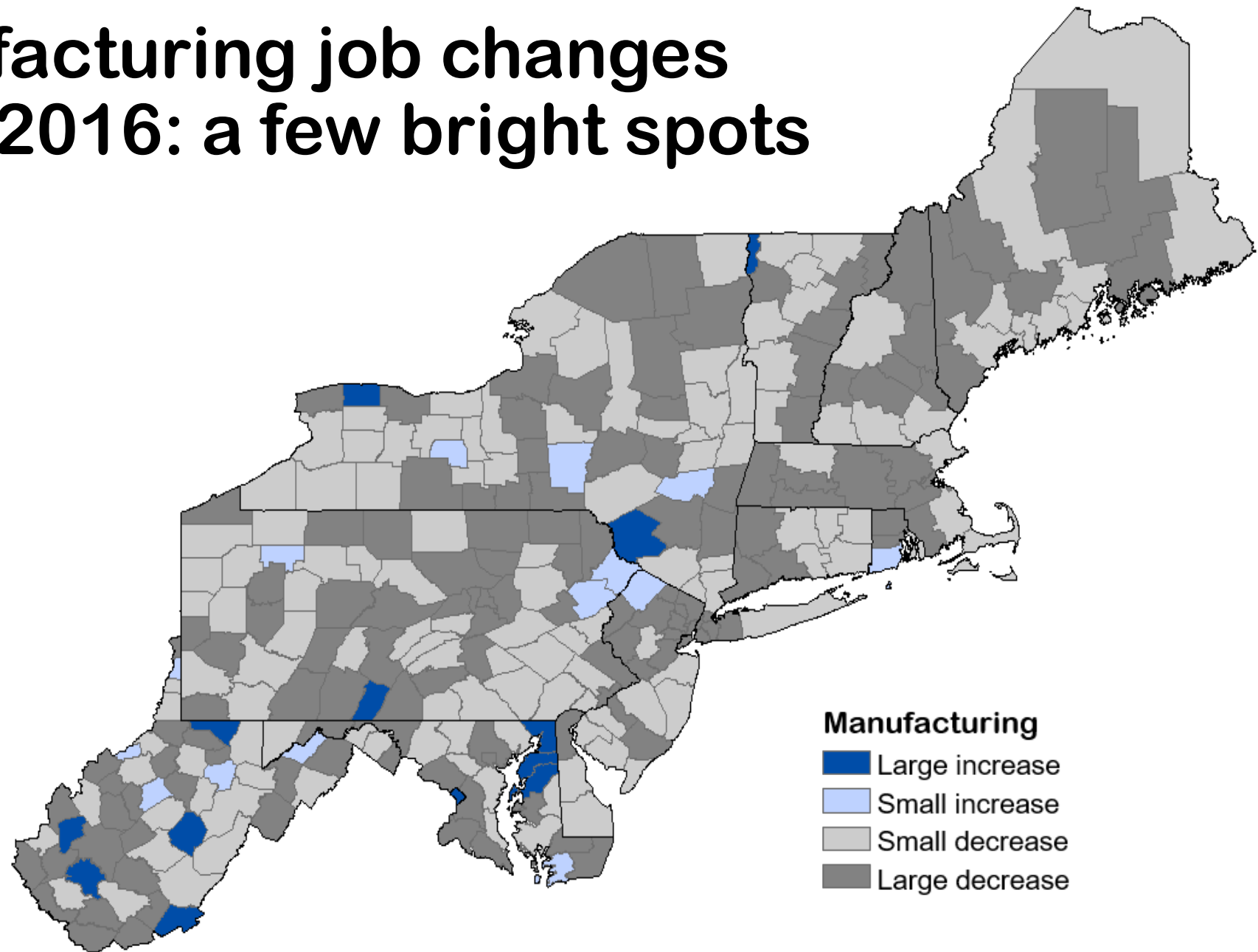


Employment in the NE region, two sectors





Manufacturing job changes 1998-2016: a few bright spots





Global shifts in production (OECD 2018)

- **Rural areas need to specialize, develop core competencies and promote tradables**
- **Support entrepreneurs and the self-employed**
- **Be open to outside investment, promote linkages between local start-ups and firms, consumers elsewhere**
- **Need to raise competitiveness through innovation, skills investment**
 - **seek to reproduce conditions of agglomeration**

Technological Breakthroughs (Innovation)



Technological breakthroughs (OECD 2018)

- **Artificial intelligence, automation, robotics, drones...**
 - **Decentralized energy production; cloud computing; IoT; nano tech**
- **New production possibilities, ways to access goods & services**
- **More product innovations in agriculture, other sectors**
- **New jobs in 3-D printing, drones for transporting goods**
- **New opportunities for online learning, digital literacy**
- **→ requires broadband: availability and ability to use**



Thank You!

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[**nercrd.psu.edu**](http://nercrd.psu.edu)

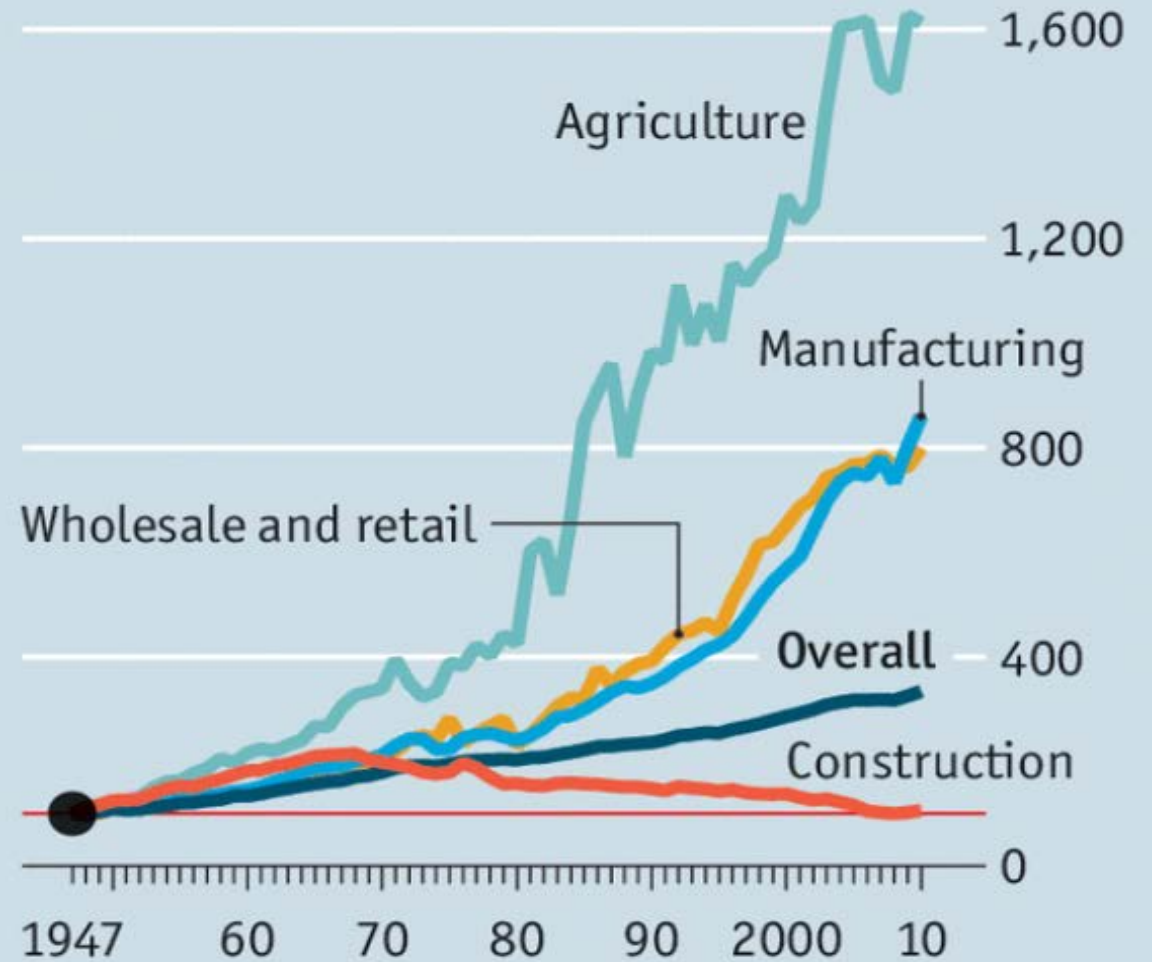
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Phenomenal Advances in Ag Productivity compared to other sectors, 1947-2010...

<https://www.economist.com/news/business/21726714-american-builders-productivity-has-plunged-half-late-1960s-efficiency-eludes>

Unlearning by doing

United States, gross value-added*
Per hour worked, 1947=100



Source: McKinsey Global Institute

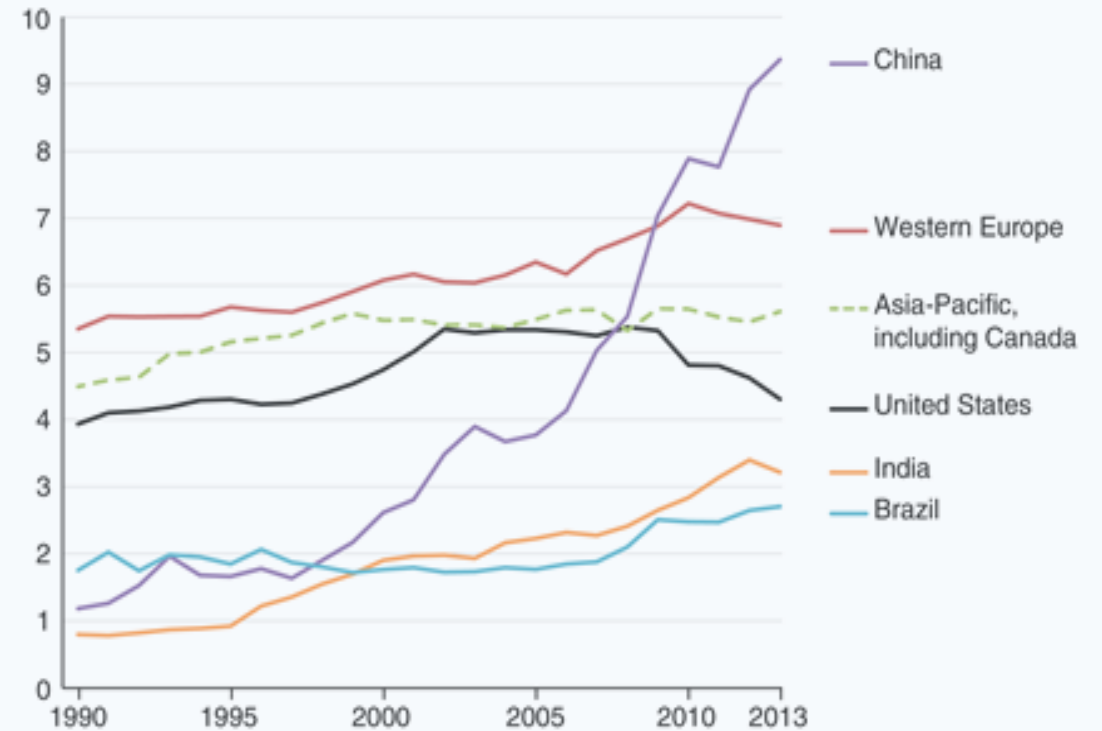
*At constant prices

But public funding of U.S. agricultural R&D is falling...

<https://www.ers.usda.gov/amber-waves/2016/november/us-agricultural-rd-in-an-era-of-falling-public-funding/>

U.S. public sector funding for agricultural R&D falls as spending by China and India rises

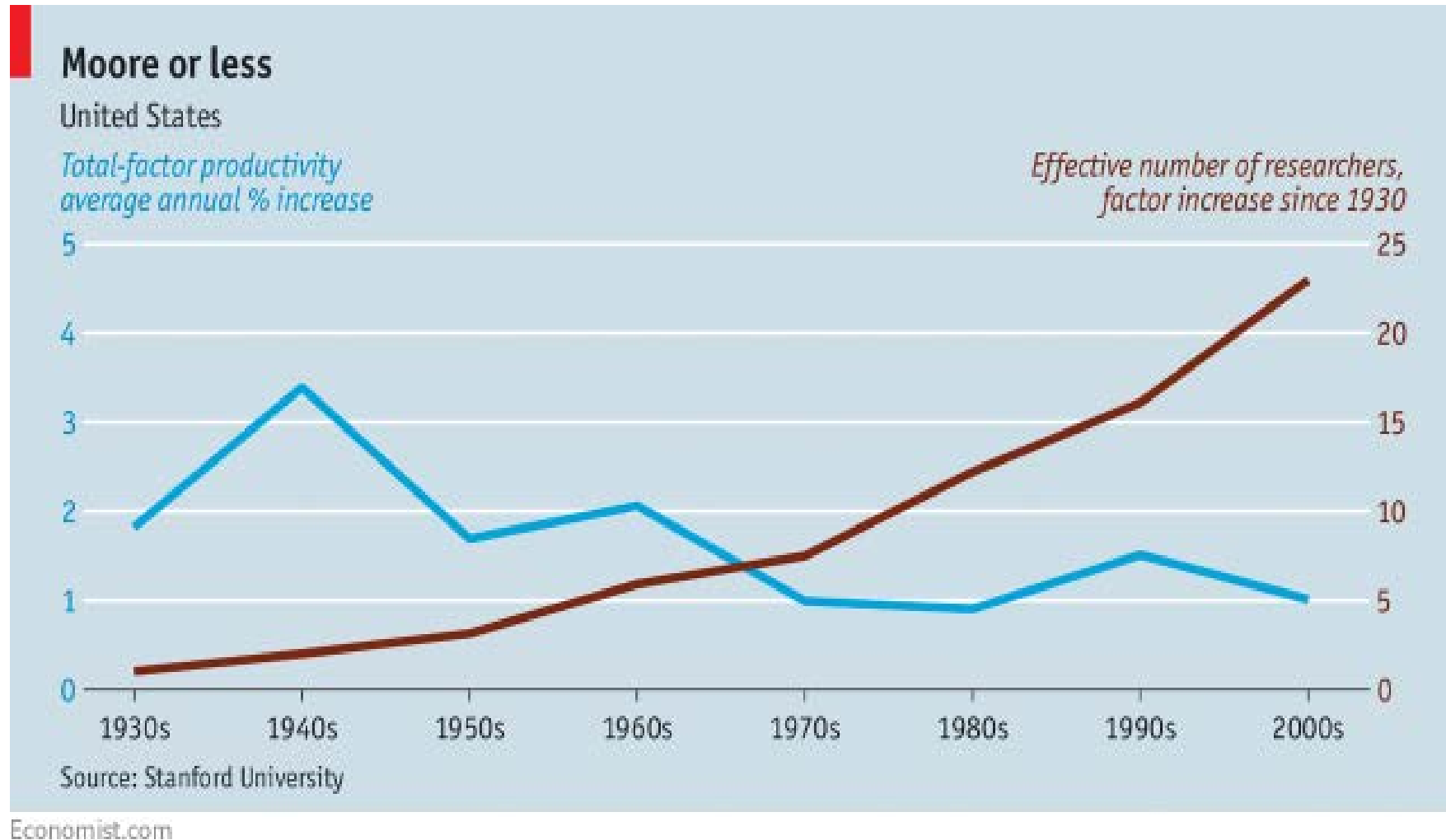
Constant 2011 PPP\$, billions



PPP = purchasing power parity.

Source: USDA, Economic Research Service and Agricultural Science and Technology Indicators (ASTI), Organisation for Economic Cooperation and Development.

...even as costs of creating new knowledge are rising



The Economist, Sep 30th, 2017 “The cost of innovation has risen, and productivity has suffered.”

Rural Resurgence:

Empowering the Rural Workforce

Small Group Discussion Questions

- What new partnerships can states leverage to support rural-led innovations?
- What other unique issues are impacting rural communities?
- What are the elements of a successful strategy in this area?
- What do governors need to know to act in this area?

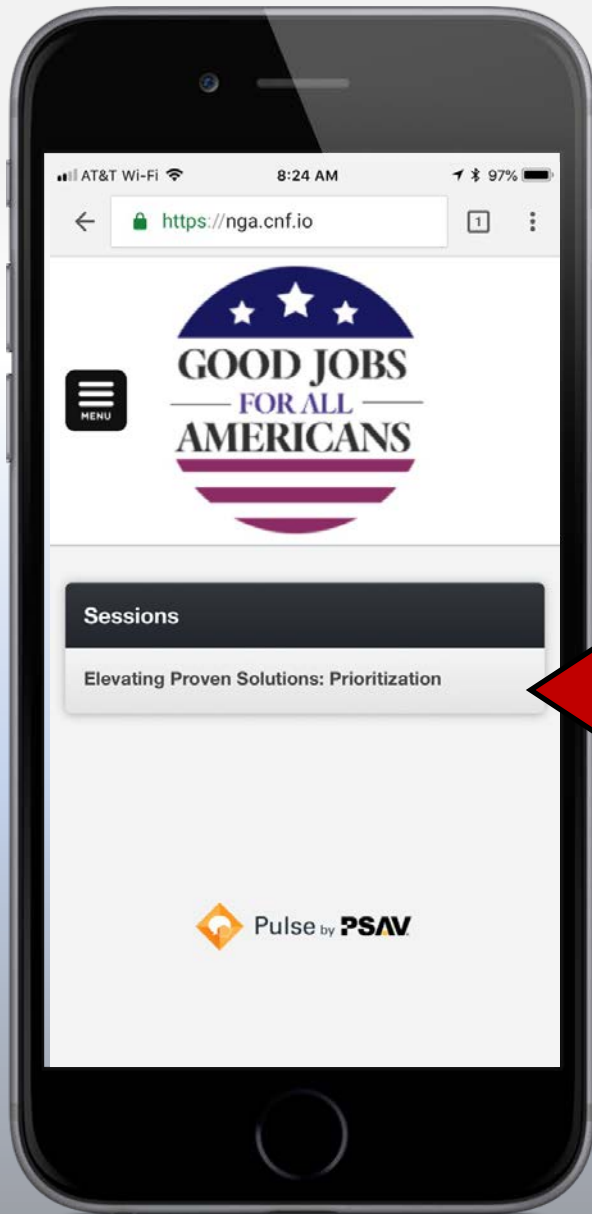


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Elevating Proven Solutions: Prioritization



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