Utah Commission on Aging

Utah 2030:
State Agencies Prepare
for an Aging Utah

Governor's Office of Economic Development
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Internal & External Analysis

The Governor's Office of Economic Development (GOED) is divided into two over arching functions business and tourism development. These two functions are divided into four legs or "pillars" that support all programs within the agency. Those pillars are Create, Grow, and Recruit companies, as well as Promote Utah.

There are certain demographic trends in an aging population which are relevant to our agencies work. The Governor's Office of Planning and Budget (GOPB) reports that Utah is the fourth fastest growing state in US total population and the sixth fastest growing state in the U. S. whose population is 65 plus. While the statewide average of citizens over 65 is approximately 8.5%, southern Utah counties such as Washington and Kane currently average over 17% of their population over 65, and that is increasing as Utah is becoming more popular with retirees.

As Utah becomes a more popular "lifestyle" destination state we see an increasing effect upon companies and their employees. More and more companies are choosing to expand or move to Utah both for the quality of its workforce and the lifestyle those employees may enjoy. Even with a net in migration to the state which would normally hold salary increases down, income in Utah is increasing for the average worker because of the historically low

unemployment. Companies are aggressively recruiting highly educated workers as they continue to fastrack growth.

These trends affect the agencies work in business development. The Corporate Recruiting and Incentives program has focused increasingly on specific "Cluster Industries" and individual companies who have a long growth horizon. Cluster Industries such as aerospace, life science, high technology manufacturing and composites as well as outdoor products and recreation are specifically targeted for state assistance. Working closely with our State Higher Education system, the GOED Centers of Excellence and Talent Access programs are regularly helping universities commercialize their research and retain their within the State work force. It is anticipated that the aging trend and increasing need for a highly educated workforce will only continue to gain momentum. Consequently, the agency will need to continue its sensitivity to the business community's interest in maintaining experienced workers beyond normal retirement and the possibility of more aggressively recruiting older citizens back into the workforce.

The GOED recognizes the increasing likelihood that geriatric focused business development is likely to increase in areas such as home health care, construction, transportation, re-education, general services and tourism. As this business focus continues to grow it is recognized that coordination with the Department of Commerce will be important in the areas of business fraud, particularly in relationship to senior citizens. While GOED does not regulate businesses, sensitivity to the issues posed by some unscrupulous businesses that see seniors as an easy target is important. An additional area of coordination with Commerce and Workforce Services is in the area of licensed professionals who are retiring and the shortages that may develop in some important business fields. Working closely with all public and

private organizations with an interest in worker retention and development will be necessary because it is recognized that a *skilled senior population* may be critical in filling future employment gaps for Utah businesses.

The demographic trends toward aging are also being taken into consideration within the agency's Office of Tourism. Not only is the state promoting tourism from geographic areas outside of the West but also specifically targeting tour operators who package their tours demographically to groups such as senior citizens.

GOED works closely with the Economic Development Corporation of Utah (EDCUtah), the Utah Sports Commission, and the Manufacturing Extension Partnership (MEP) in identifying beneficial business relationships for the state. Supporting organizations and activities such as the Outdoor Retailers bi-annual meetings and the Utah Senior Games in St. George all have a short-term economic benefit, but they also have significant long term benefit in positive national and international exposure. Since the GOED constituency is primarily business in all of its forms and varieties, a positive business climate is often best communicated through testimonials from people who have had a good experience while in our State.

It is likely that there will be little impact on the constituency the agency serves, since our mission is narrowly focused on business development and tourism. For much of the same reason it is unlikely that the over arching policies for the agency will change much in the next 20 years. However, the agency's programs and services will likely expand to be more cognizant of senior needs in such areas as health care, workforce access, recreation and tourism.

GOED recognizes there is a current and growing gap between the workforce needs of businesses that are expanding or being recruited to the state and the availability of highly

skilled workers. The agency expects to work closely with Higher Education and Workforce Services as a voice for our business constituency. The State Science Advisor's Office is working diligently to identify those gaps and capacity restrictions in the education and skill needs of our workforce. In order to address this issue of alignment the State Science Advisor or is also the director of our “Economic Clusters” initiatives.

By maintaining an agency policy of close cooperative effort among departmental programs, other state agencies and private industry Utah should be able to attract and retain more workers, both young and old, who will have the skills needed for the targeted economic growth sectors within Utah. Not only will we be working to maintain a higher percentage of graduates from our colleges and universities within the State but we will be endeavoring to recruit skilled workers of all ages who are interested in coming to work in Utah not only for the business opportunity but also for its outdoor lifestyle.

As a fourth-quarter 2006 state unemployment rate hovers under 3%, for all practical purposes full employment has been reached. All organizations interested in continued business growth need to work together to keep the economic engine humming. If continued business health is expected, meeting the employment requirements of Utah's businesses will be critical to its future economic development.

Prioritization and Action Planning

As GOED has examined its economic development priorities it has surveyed national research and historical program data. GOED also conducts conferences attempting to obtain feedback on its priorities and has spent several months analyzing existing national surveys and databases related to its program activity. As a result of these efforts GOED will be able to more accurately target its programs to meet the business climate and workforce requirements for the agency's prime constituency, businesses.

Following the internal and external analysis of issues revolving around the aging population and workforce two priorities have been identified for GOED:

Workforce Recruitment and Retention

It is clear that the growing business base in Utah has begun to reach a critical mass. Increasingly businesses in the State are unable to fill important staffing requirements. This lack of properly skilled employees limits a company's ability to meet its productivity requirements and will ultimately damage the businesses ability to grow or remain profitable. If this staffing problem becomes too wide spread it will damage the overall economic base of Utah. Since a steady or increasing tax base is critical for a state to meet its infrastructure and entitlement responsibilities a sound business climate is vital.

In order to address this issue it will be important to cooperate with a number of State agencies and private sector organizations who have a vested interest or assigned responsibility in this area.

Senior Citizen Tourism

"Love them and leave them" may better be described as love them, help them spend and then send them away when the State thinks about Senior's and Tourism.

Fortunately for the first time in decades the State Legislature has provided the GOED Office of Tourism a budget that can actually begin to make a difference in tourism development for our State. Unfortunately in today's marketplace it takes money to be heard above all of the advertising and marketing noise. But when our message is heard, a tourist dollar multiplies exponentially in the Utah economy. Various interested organizations have calculated that one dollar spent brings in six, seven up to ten dollars in return. Seniors, according to tourism industry officials, spend more money than the average visitor and spend more time at their chosen destination than the average tourist.

Consequently, recognizing the potential impact of the senior travel market on Utah tourism could add to the overall effectiveness of our tourism promotional effort.

Action Items for Priorities

Workforce Recruitment and Retention

Actions:

Teaming with other Agencies & Organizations
- Dept. of Workforce Services
  - Job website partner
- Higher Education
  - Brush up skills and reentry training
- Commerce
  - Professional Licensing
- Business Associations
- HR Associations
  - Seminars and training

Recruiting & Retention Campaigns

Use the hospitality industry model for staffing. For example, "Cruise Docs" campaign to change employer paradigms. Help business managements understand the value of hiring retirees to fill "temporary" or contract positions for 1-3 years while training and recruiting permanent staff. "HR 101" training to employers, for example, explain Flex Time and Flex Schedules, telecommuting etc. to entice experienced people out of retirement with offers that will allow them some of the flexibility of their retirement and still fill staff needs.

Targeted Industry Campaigns
- Nursing
- Engineers
- Pharmacists
- Skilled Labor etc.

Private Sector Teaming
- National wage comparison data
- Business friendly legislation
- Incentives for Rural Utah companies

Result:

Improved capacity to fill critical staffing for growing Utah companies and adequate numbers of people who are properly trained to fill jobs for recruited companies from out of state. Baseline industry sector employment statistics and wage statistics.

Senior Citizen Tourism

Actions:

National Media Campaigns
- Tour Industry
- Lifestyle publications
- Demographic groups

Trade Association Meetings
- National Tour Association
- Travel Industry Association of America
- World Travel Market

Conventions and Business Meetings
- Rotary
  - Business to Business booth at Rotary Convention in 2007 so attendees can be exposed to job opportunities in Utah.
- Winter sports

Events
- World Senior Games
- Marathons and Sporting Venues
- Golf
  - Redrock Golf Trail, St. George convention and visitor office booking hotel and tee times.
- Heritage and Cultural
  - National Heritage Highway 89
  - Deer Valley Music Festival
  - Utah Festival Opera
  - Sundance

Partners
- Utah Sports Commission
- Industry Associations

Result:

Measurable tourism numbers and dollars should increase in each targeted market segment. Reputation and recognition among demographic and geographically measured groups including seniors should increase.