

CHAPTER 1: ECONOMIC AND WORKFORCE ANALYSIS This chapter must discuss how the region has collected and analyzed updated regional labor market information including the local planning requirements. Regional teams are encouraged to use the labor market information posted on <https://www.illinoisworknet.com/WIOA/RegPlanning> to provide consistency in the data used for regional analysis throughout the state³.

A. Provide an analysis of the factors listed below:

1. Economic conditions, including existing and emerging in-demand industry sectors and occupations (§ 679.560(a)(1)(i));

a. What are the targeted industries, high-impact industry clusters, and in-demand occupations in the region?

Following a review of industry employment distribution, health care and social assistance, manufacturing and retail trade are the highest-impact industry clusters in EDR 10. It is important to note that the top five industries include educational services, accommodation and food services. Transportation and warehousing, finance and insurance, and educational services also impact EDR 10. Health care and social assistance remain the bedrock of industries in the area. Additionally, manufacturing and retail trade continue to flourish in the entrepreneurial perspective of the district.

b. What industries have favorable location quotients?

As all counties included in EDR 10 are not considered part of a metropolitan statistical area (MSA) as defined by the U. S. Census Bureau and have a population of less than 60,000, the entire EDR is classified as rural. The geographic structure of EDR in most industries is predicted to have quotients between one and two. Agriculture remains a leading industry in the region with a quotient of six. Other leading industries with quotients above one includes retail, manufacturing, and wholesale.

	Construction	Education and Health	Financial Activities	Information	Leisure & Hospitality	Manufacturing	Natural Resources & Mining	Professional & Business Services	Trade, Transportation & Utilities
Henderson				*					
Warren				*				*	
Knox									
Hancock									
McDonough									
Schuyler				*					
Adams				*					
Brown						*	*		
Pike				*					

Key: Favorable Quotient: Dark Blue Highlights Neutral: Light Blue Highlights Not enough data: *

c. What industries and occupations have favorable demand projections based on growth?

Based on the Location Quotient by Sector, the following industries are considered leading in EDR10: retail, government, manufacturing, wholesale, and agriculture.

Based on the LQ, the following industries are emerging in EDR 10: financial activities, transportation and warehousing, construction, and professional services. Construction is the industry with the highest percentage growth of 5.7% since Q2 2019 (pre-pandemic); however, construction continues to have low employment rates compared to other sectors.

	Construction	Education and Health	Financial Activities	Employment Information	Growth Leisure & Hospitality	Manu- facturing	Natural Resources & Mining	Professional & Business Services	Trade, Transport ation & Utilities
Henderson					*				
Warren								*	
Knox									
Hancock									
McDonough									
Schuyler				*					
Adams									
Brown				*		*	*		
Pike				*					

Key: Favorable Quotient: Dark Blue Highlights Neutral: Light Blue Highlights Not enough data: *

d. What industries and occupations have favorable demand projections based on replacements?

Demand projects indicate that occupations in the following industries are favorable: manufacturing, trades, transportation and utilities, and professional and business services.

e. What industries are considered mature but still important to the economy?

Education, health care, leisure and hospitality remain key employers in the region.

Health care remains on the largest employers throughout the region. As the countries within the region continue to age, health care needs remain constant.

f. What industries are considered emerging in the regional economy?

Based on the LQ, the following industries are emerging in EDR 10: financial activities, transportation and warehousing, construction, and professional services. Construction is the industry with the highest percentage growth of 5.8% since Q2 2019 (pre-pandemic); however, construction continues to have low employment rates compared to other sectors.

g. What are the projected regional key in-demand occupations?

Occupations in health care, manufacturing, and agriculture remain in demand to meet the region's current leading and essential industries. Occupations in finance, transportation, construction, logistics, and other professional services are needed to support the region's emerging industries.

Western Illinois Occupations by Sector

Healthcare

Nurses
LPN (in hospitals)
Patient Access Staff
Pharmacist
Physicians
Dietitian
Surgical Technician

Manufacturing

Welder
Electrical Technician
Maintenance Mechanic
Tool Room Operator
CNC Operator
HVAC
Automation Technician
Maintenance Technician

Construction Trades

Highway Construction
Carpenter
Electrician
Iron Worker
Laborer
Millwright
Operating Engineer

Utilities

Journeyman
Line Worker

Painter
Pipefitter
Plumber

Education

Teachers

Pipefitters
Engineers
Engineer Technicians

Entrepreneurship

TDL

Forklift Operators
CDL Drivers
Material Handlers

IT

IT Developer

Agri-Business

Ag Precision Technicians
Diesel Mechanics

h. What sources of supply and demand data were used to determine the targeted industries occupations and skills?

The source used to determine the targeted industries and occupations is information from the Bureau of Labor Statistics that was provided by the Illinois Department of Employment Security, Illinois Board of Higher Education, and the Illinois Community College Board.

2. Employment needs of employers in existing and emerging in-demand industry sectors and occupations (§ 679.560(a)(1)(ii));

As the emerging industries include financial activities, transportation and warehousing, construction, and professional services, employers continue to seek a trained workforce. Continuing education beyond a high school diploma is a need in EDR 10. Of the counties in the district, approximately only 18 to 26% of the population have a bachelor's degree, with McDonough County having the highest percentage at 31.2% and Brown County having the lowest at 14%. Essential skills, including critical thinking, professionalism, active listening, and attention to detail, remain a focus for employers. These skills transfer across industries and heighten with advanced education and work experience.

3. Knowledge and skills needed to meet the employment needs of the employers in the region, including employment needs in in-demand industry sectors and occupations (§ 679.560(a)(2));

a. What are the targeted career pathway clusters in the region?

Health Sciences is one of the career pathways clusters that will be targeted in West Central Illinois region. This pathway aligns with the in-demand existing and emerging sectors and occupations while fulfilling many of the occupations that are showing a supply gap.

The other career pathway cluster that will be targeted in EDR 10 is Manufacturing, TDL, Agribusiness and Construction Trades. This cluster will cover manufacturing, transportation, distribution, and logistics which are targeted sectors, but will also cover construction that is also an occupation where demand is greater than supply. All of these occupations fall under the Thinker Career Path.

b. What skills are in demand in the region?

c. How well do the existing skills of job seekers match the demands of local businesses?

4. Regional workforce considering current labor force employment and unemployment data, information on labor market trends, and educational and skill levels of the workforce, including individuals with barriers to employment⁴ (§ 679.510(a)(1)(iv) and § 679.560(a)(3)).

a. How is the region changing in terms of demographics, labor supply and occupational demand?

Unfortunately, EDR 10 trends in labor force participation remain below the states. The data from the first quarter of 2023 shows the region lags behind state labor force participation by an average of 5.6%, with January 2023 being the lowest at 57.4%, 6.3% below the state.

The unemployment rate for EDR 10 in December 2023 is 4.1%, slightly better than the state's rate of 4.2%.

The population of EDR 10 is steadily growing older and trending out of the typical workforce age. The age demographics typically associated with the force in the region 20-24 years old is the highest at 7.4%, while ages 25-54 do not exceed 6% in each of the 5-year grouped categories. Essentially, EDR 10 has a dwindling workforce.

Although the West Central EDR has many geographic advantages, due to the region's rural environment there are various challenges the region faces including: 1) limited access to opportunities geared toward major metro areas; 2) inadequate access to broadband; 3) lack of

local community transportation services; and 4) decaying infrastructure. There are three major population centers in the West Central EDR which together share 67.2% of the EDR population- Adams County (30.3%), Knox County (23.1%) and McDonough County (13.8%). The main population centers within these counties are Quincy (Adams County) with a population of 40,587; Galesburg (Knox County) with a population of 31,215; and Macomb (McDonough County) with a population of 19,684.

The southern subregion of the West Central EDR (Adams, Brown and Pike counties) are part of the John Wood Community College District. The central subregion of the West Central EDR (Hancock, McDonough and Schuyler counties) are part of three community college districts-Carl Sandburg College, Spoon River College and John Wood Community College. The northern subregion of the West Central EDR (Henderson, Knox and Warren counties) are also part of three community college districts-Carl Sandburg College, Spoon River College and Black Hawk College.

Continuing education beyond a high school diploma is a need in EDR 10. Of the counties in the district, approximately only 18 to 26% of the population have a bachelor's degree, with McDonough County having the highest percentage at 31.2% and Brown County having the lowest at 14%.

Essential skills, including critical thinking, professionalism, active listening, and attention to detail, remain a focus for employers. These skills transfer across industries and heighten with advanced education and work experience.

b. What special populations exist in the region, what is their magnitude, and what are the policy and service implications to meet the needs of these individuals?

B. Describe how the Local Workforce Innovation Board and WIOA partners support the development and implementation of sector initiatives for in-demand industry sectors or occupations for the planning region (§ 679.510(a)(1)(iii)). Plans must answer the following questions:

1. How will the workforce partners convene or support the convening of regional employers, foundations, institutions and other stakeholders to create or maintain sector partnerships?

Sector partnerships currently exist in a number of inform structures. Economic Development entities convene manufacturing representatives in partnership with the WIB. Community College Advisory Committees are convened in all key sectors. Foundations support several workforce-related initiatives which include the business representation.

The WIB has committed to supporting sector partnerships as part of the reframing of the

workforce infrastructure in Western Illinois.

- 2. Identify the established and active sector partnerships in the region (as defined in Illinois' Nex Generation Sector Strategies Guide⁵). If any exist, are they business-led and what is their role WIOA planning?**

N/A

- 3. What public-private partnerships exist in the region that could support sector strategies, and what is their role in planning?**

The WIB will work in partnership with local Economic Development Entities to establish sector partnerships throughout the region.

- 4. What neutral conveners with the capacity to help establish sector partnerships exist in the region and what is their role in planning?**

As the WIB works with EDC entities neutral conveners other than the WIB may emerge.

- C. If any employer collaboratives are engaged in the U.S. Chamber's Talent Pipeline Management initiative, describe the following:**

- a. **What is the focus of the collaborative(s)?**
- b. **How is the workforce system supporting the needs of these employers?**

N/A

- D. Describe any broad economic development opportunities in the region within the context of the workforce, education and economic development plans.**

The WIB supports local economic development plans. Staff are participating in regional meetings as part of the Climate Equity and Jobs Act (CEJA). Staff are participating in the DCEO Five Year Economic Development listening sessions.

- E. Describe any broad economic challenges in the region's workforce, education and economic development plans.**

Connectivity remains an issue in most rural communities and some neighborhoods in larger communities. Staff are participating in the DCEO Technology listening sessions and supporting community efforts to secure funding for infrastructure and equipment. Transportation and Childcare remain challenges throughout the region. Staff continue to participate in discussions and community initiatives to address these problems.

- F. Describe how a *workforce equity lens*⁶ is incorporated into the local planning requirements for collecting and analyzing labor market information.**

IDES demographic and labor market data will be the source of information for the WIB in developing local plans and services with an emphasis on diversity, equity, inclusion, and access.