



**ST. LAWRENCE COUNTY**

**ECONOMIC DEVELOPMENT &  
WORKFORCE SUMMIT  
REPORT**

2006

*June 28, 2006*

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## INTRODUCTION

The St. Lawrence County Workforce Investment Board (SLCWIB) and St. Lawrence County Industrial Development Agency (SLCIDA) have prepared this *2006 Economic Development and Workforce Summit Report* to provide the two agencies, their partners, and all interested parties with a summary of workforce and economic development issues highlighted at the June 28, 2006 St. Lawrence County Economic Development and Workforce Summit. County decision-makers can use the empirical data developed from the attendees at the Summit that as they continue to grapple with the question of how to prepare the County, and especially its workforce, for the opportunities and challenges that the next years will bring. The *2006 Economic Development and Workforce Summit Report* continues the workforce planning process that the SLCWIB has been pursuing since June 10, 2004 when it convened its *Workforce Summit 2004: Preparing Today's Workforce for Tomorrow's Jobs*. Building off the findings from the first workforce Summit, the SLCWIB completed and adopted its strategic plan in January, 2005 and published its first-ever *St. Lawrence County State of the Workforce Report 2004* in February, 2005.

## SUMMIT PROGRAM DESCRIPTION

Over 110 people attended the June 28, 2006 Summit on the SUNY Potsdam campus. Three presenters briefed the attendees on the larger contexts that are affecting and will continue to affect the directions in which the County's economy and workforce will develop. John Twomey, the Executive Director of the New York Association of Training and Education Professionals and National Workforce Association president, discussed State, national, and global demographic and economic trends that are increasingly challenging the workforce. David V. Brandon, Executive Vice President of The Pathfinders, focused on the role that workforce quality and availability plays in companies' site selection process. Finally, Janice Corbett, Deputy Senior Commercial Officer at the United States Embassy in Ottawa, highlighted the impact that development in the Canadian economy (especially in Ontario) could have for the County's workforce.

Summit attendees were asked to complete a five-page questionnaire designed to elicit their personal reactions to the following questions:

- The County's score (excellent, good, poor) on key economic development factors (e.g., labor force, transportation, housing, etc)
- Considerations influencing their choice (very important, somewhat important, not important) to live in the County (e.g., employment, tax structure, natural environment, etc)
- Attitudes on issues (need to improve, no need for change) concerning the County's economic future (e.g., local infrastructure, local government, health services, etc)

Attendees were also asked to describe (in their own words) and rank up to three critical issues affecting the County's economy, quality of life and community character and to make up to three suggestions on how to improve the County's economy, quality of life and community character. Finally, the attendees were asked to provide their hosts with some anonymous demographic information about themselves.

## PRESENTATION SUMMARIES

**JOHN TWOMEY** is in his third term as President of the National Workforce Association and has been Executive Director of the New York Association of Training and Education Professionals since 1987. In these two positions he has been uniquely positioned to analyze the state of the State and nation's workforce and to develop prescriptions for its future.

His Summit presentation focused on describing the upheavals that global and national developments will create for the workforce in New York and the nation, and how public investments to prepare the country's

workforce for these challenges has been decreasing when they should be increasing. He identified six major factors that will drive change in the workforce and that require **more not less** public investment:

- Baby boomer retirements will create major skills shortages
- Shifting demographics – especially the numerical increases in the Hispanic population coupled with the decline in the non-Hispanic white birth rate – will create a much more diverse workforce
- Huge increases in the payoff resulting from educational attainments will put additional demands on all levels of the State's educational systems
- Global competition is creating a global economy in which developing countries are not only squeezing out the US in low value-added commodity production but increasingly in high value-added production made possible by their substantially increased investment in education, science, and technology
- Immigration has increased the number of foreign-born workers in the country but little attention has been paid to the need to encourage the immigration of skilled workers
- Growing global technology sophistication, coupled with a decline in skilled workers, is creating tremendous pressure to off-shore even the most skilled occupations from the US

Twomey analyzed the challenges facing the State and nation, but did not discuss in detail how to deal with them. However, he *did* suggest strongly that there was certainly one *wrong* way to react to the six challenges. The way that seems to have been adopted in Washington and Albany in recent years is to *decrease* funding intended to address the issues he described, rather than to go in the other direction. This will result in taking the biggest risk – i.e., doing nothing – that is partly the cause of the increased pressure that the US economy is under right now. Twomey knows that the solution is not just more money, but it is almost certainly not *less* money.

**DAVID BRANDON** is Executive Vice President of The Pathfinders, a Texas company that provides corporate facilities services to companies that are expanding their businesses – ranging from strategic needs analyses through site-selection assistance to adaptive reuse and disposition strategies. In January, 2006 his company completed *The St Lawrence County, New York Area Labor Availability Report* for the SLCWIB and the SLCIDA. He based much of his Summit presentation on the data that The Pathfinders had developed while doing this study.

His Summit presentation addressed workforce availability and its role in the site selection process. Brandon captured the essence of the topic in one statistic: 94% of The Pathfinders' clients say that workforce is their major issue when seeking to site new facilities – more important than transportation, resources, sites and buildings, quality of life, etc. While the cost of labor is important – as are, to lesser degrees, the extent of unionization and availability of unskilled and technical workers – the 94% ranking relates most to the general availability of a qualified and agile workforce in a community.

Brandon noted that, contrary to what many might assume, expanding companies frequently hire underemployed workers in a community – people working part time or (especially) people who are working below their skill and capacity levels at their current employers. He said that, when a community focuses on its unemployment level, it often hides the real extent of its available “unemployed” workforce and that there are usually a significant number of “invisible” workers ready to re-enter the workforce if the right opportunity presented itself. The Pathfinders' research has shown that the County's underemployed proportion averaged about 16% from 1998 to 2005.

Brandon recommended that, if the County wanted to compete for new locations, it would have to develop and maintain better data about its *employed* workforce. Such data would include the conditions of employment of current employees, their desire for upgrades, their experience/skills profiles, and employers' assessments of their capacities.

To do this the County would have to define its labor shed, determine workforce core parameters, and conduct household and employer surveys. Based on this data, and compared with national benchmarks, the County could define its market position and develop a strategy for attracting corporate employers to the County.

Of course, the County would need to do more than just better define the *truly* available workforce and its characteristics. It would also have to understand the other personnel needs that concern corporate employers, e.g., compensation, benefits, turnover, absenteeism, local competition for employees, etc. Ultimately, winning proposals must be custom-made for companies, based on current, original research with a specific focus on client needs, and all based on solid market data.

**JANICE CORBETT**, Deputy Senior Commercial Officer at the United States Embassy in Ottawa, is well situated to encourage the attendees to look towards exporting to Canada as a major and underused resource in developing the County's economy. She described the resources that the US Commercial Service provides to assist companies to engage in exporting (operating 109 US Export Assistance Centers stateside and 150 offices world wide) and explained how they are tasked both with connecting US exporters with potential representatives, agents, distributors, buyers and joint venture partners" and to do the research to provide information to US companies relative to sales opportunities and new market developments.

Ms. Corbett explained that Canadian government contracts are available for an increasingly wide variety of services/goods. With the US and Canadian currencies being as close to equal as ever before, there are increasing opportunities for US based businesses to obtain work in Canada. Ms. Corbett noted that 80% of Canada's 33 million consumers are located on the border between the US and Canada. She stressed that our neighbors to the north are interested in doing business with us. She noted that 18% of Canada's per capita income is spent on US goods and services and that Canada's \$1 trillion economy is growing at a rate of 2.8%.

Corbett's slogan is: "THINK BIG—THINK CANADA." After all, over \$1.4 billion goods cross the common border every day. Sixty-eight percent of Canadian imports come from the US and 84% of Canadian exports go to the US. And, since the Canadian dollar has appreciated 40% over the past four years, imports and foreign travel are more affordable to Canadians. Corbett concluded by developing a Letterman-like "Top-Ten" list of export markets for US goods and services in Canada: security/safety equipment, defense equipment, automotive parts and service equipment, electrical power systems (hydropower, coal and gas as well as alternative energy sources), construction materials (including do-it-yourself products), plastic materials and resins, oil and gas field machinery (especially in Alberta), computers and peripherals, computer software, and telecom equipment.

## **ATTENDEE SURVEY RESULTS AND ANALYSIS**

### Demographic Information

Of the 112 people registered as attending the June 28 Summit, 83 (75%) returned completed or partially completed surveys. Males outnumbered females, 57 to 25 (there was one no-answer). Aside from one no-answer, the age distribution of the respondents was as follows: 18-25: one; 26-35: five; 36-45: twenty-two; 46-55: twenty-eight; 56-65: twenty-two; and over-65: four.

When queried as to their place of residence, seven respondents reported that they lived outside St. Lawrence County; three said they lived in St. Lawrence County but did not specify the community; and four did not respond to the question. The remaining 69 respondents were spread across 22 County communities. Not surprisingly, 47 of those listed their current residences in the County's five largest communities: Canton (11), Gouverneur (4), Massena (7), Ogdensburg (14), and Potsdam (11). Forty-nine

of the 74 respondents living in the County have lived in the County for over 15 years. Ten had lived in the County for 11-15 years; 14 for 1-5 years; and one for less than one year. (There were two no-answers.)

Forty-eight respondents said that they did not have children in a local primary or secondary school. Thirty-two said that they did and there were two no-answers. Thirteen respondents said that they own a business; 68 said that they did not; and there were two no-answers. When asked to designate their occupation, 13 declined to respond. Of the remaining 70, six said that they were engaged in human resources work, but didn't specify in what type of organization (school, factory, etc). Of the remaining 64, it is likely that the distribution of the respondents by industrial sector was as follows:

Construction	1	Professional/Technical Services	7
Education	16	Other services	1
Finance, Insurance, Real Estate	7	Retired	8
Government	14	Student	1
Health	6	Wholesale Trade	1
Manufacturing	2		

The survey's last question asked what community the respondents worked in. There were 12 no-answers to this question. At least 8 respondents said that they worked in whole or in part outside St. Lawrence County. Six of the remaining respondents said that they worked at multiple locations in St. Lawrence County. The remaining 57 participants listed 14 communities as their work locations – 13 in Canton, three in Gouverneur, seven in Massena, 14 in Ogdensburg, nine in Potsdam, and eleven in the remaining nine communities (three in Wanakena).

### Survey Data and Interpretation

Question #1: For St. Lawrence County, how would you rate the following?

County Development Resources	Excellent	Good	Poor	No Answer
Labor Force	11%	75%	11%	3%
Transportation	17%	21%	61%	1%
Local Infrastructure	3%	57%	40%	2%
Housing	2%	58%	40%	0%
Educational System	40%	55%	5%	0%
Economy	0%	37%	63%	0%
Tax Structure	1%	35%	62%	2%
Utilities	8%	54%	34%	4%
Developable Land	47%	41%	10%	2%
Quality of Life	52%	46%	2%	0%
Research Institution	32%	45%	21%	2%
Local Government	5%	72%	21%	2%
Health Services	12%	72%	16%	0%

Not unexpectedly, the County's transportation, economy, and tax structure rank quite low on the vast majority of the respondents' scales. And, though a majority of respondents thought that the County's local infrastructure and housing were good, a substantial number thought that they should be ranked poor. No one ranked the economy as excellent and almost none thought that the tax structure, local infrastructure, and housing were excellent. Somewhat surprisingly, 14 people thought that transportation was excellent.

The vast majority of respondents appear to be satisfied with the County's labor force, its local government and health services (all getting a "good" from 60 or more respondents). Smaller majorities opined that local infrastructure, education, housing and utilities were good (all getting more than 45 "goods").

Only on quality of life did the respondents – and even then only 52% -- think that the County ranks "excellent". On the other hand another 46% think that the County deserves a "good" for quality of life. Since only 2% of the respondents rate the County's quality of life as "poor", it seems fair to conclude that most people at the Summit are generally pleased with the County's quality of life – and this in spite of the multiple deficits that the respondents' rankings of some of the other critical parameters underline.

Somewhat the same conclusion can be drawn regarding the education. Though in the case of education only 40% of the respondents ranked the County as "excellent", another 55% gave the County a grade of "good". Only 5% thinks that the County rates a "poor" for its educational system.

Question # 2: How important are the following to you and your family's choice to live in St. Lawrence County?

Residence Factors	Not Important	Somewhat Important	Very Important	No Answer
Employment	1%	13%	82%	4%
Business Environment	12%	51%	32%	5%
Historic/Rural Character	9%	49%	37%	5%
Family and Social Ties	14%	29%	52%	5%
Tax Structure	20%	47%	29%	4%
Primary/Secondary Education	8%	23%	64%	5%
Higher Education	10%	34%	51%	5%
Job Training/Continuing Education	17%	48%	28%	7%
Natural Environment	2%	35%	59%	4%
Cultural Activity	8%	57%	30%	5%

The last point made in the analysis of question 1 – respondents' general satisfaction with the County's educational system – is paralleled by the report that primary/secondary education is ranked second as a "very important" reason for respondents' choosing to live in St. Lawrence County. Of course, not surprisingly, the residence factor getting the most "very important" votes was employment. It may be significant that, after employment, primary/secondary education exceeds the natural environment on the "very important" scale. Nonetheless, only two people reported that the natural environment was not important, while seven gave this grade to primary/secondary education.

A bare majority of respondents said that *higher* education was a "very important" factor in their choice to live in the County (84% think it's somewhat important or very important). 76% think that the County's job training/continuing education is somewhat or very important in their living choice (only 28% says it's very important though).

It may also be interesting, in light of the fact that 63% of the respondents said that the County's economy was poor, that 83% of the respondents said that the business environment was "somewhat important" or "very important" for their choosing to live in the County. Perhaps also interesting is that 87% said the same for the County's cultural activity. The tax structure and historic/rural character seems to be the least significant reasons enticing Summit people to live in St. Lawrence County.

Question #3: How do you feel about the following issues as they pertain to St. Lawrence County's economic future?

Issues Impacting County's Future	Need to Improve	No Need for Change	No Answer
Labor Force	87%	8%	5%
Transportation	93%	6%	1%
Local Infrastructure	91%	7%	2%
Housing	76%	18%	6%
Educational System	53%	43%	4%
Economy	93%	6%	1%
Tax Structure	85%	18%	7%
Utilities	74%	20%	6%
Developable Land	34%	60%	6%
Quality of Life	31%	64%	5%
Research Institution	44%	51%	5%
Local Government	71%	23%	6%
Health Services	61%	34%	5%

There are only three aspects of the County's circumstances that a majority of respondents did *not* see a need to change. The most important was quality of life; 53 respondents (64%) said they saw no need for change. Fifty respondents (60%) said that there was no need to more land to be developed and a bare majority opined that the County's research institution situation was okay as it stands.

Everything else needs to improve. This isn't startling – few modern Americans in communities anywhere in the country are fully satisfied and willing to say that there is no need for any change in critical parameters of their living situations. In fact, it's almost surprising that a majority of the respondents said that no changes were needed in the three categories just mentioned. It may also be noteworthy that 43% of the respondents saw no reason for change even in the hotly debated topic of education.

Given that full satisfaction is usually rare, the first table's data -- when contrasted with the data in the third -- do suggest that there is an anomaly in the way that people view the labor force. It is not surprising, considering the sentiments expressed in table 1 about the economy and transportation, that the respondents say in table 3 that the economy and transportation system need improvement (93% for each). What is a bit surprising is that almost as many think that the labor force (87%) needs to improve – even though almost 86% felt it to be "good or "excellent" in table 1. This may be an item of some significance for future research by St. Lawrence County Economic Development System personnel.

### Qualitative Responses

Seventy-five of the Summit attendees who responded to the demographic and survey questions also responded, sometimes only partially, to the questionnaire's requests that they identify three critical issues affecting the County's economy, quality of life and community character and that they make three suggestions on how to improve them. Many of the suggestions were either non-specific (e.g., develop higher paying jobs) or required actions that were beyond the powers of the Summit sponsors (e.g., reduce New York State taxes). While it is critically important to be aware of such issues, the responses included a number of frequently mentioned recommendations that provide immediate and direct guidance to the Summit sponsors about activities and/or directions which they should adopt and that should intersect with the Comprehensive Economic Development Strategy that the two sponsors are currently helping to revise.

The most often-mentioned issues were associated with transportation infrastructure. Multiple respondents noted the need for better air and train transportation, but most frequently mentioned was the lack of a four-lane interstate highway. Several attendees also noted the existing highway system serving the County was “falling apart”. Others said that the lack of public transportation was a drag on development. Although neither Summit sponsor has direct influence on transportation infrastructure, efforts are on going to develop a “rooftop highway” (mentioned by name by at least three respondents) and better air service. Hence, it seems reasonable to note that many Summit attendees think that the key element in improving the County’s economy is better transportation.

The demographics of the County’s workforce received attention from several perspectives. Quite a few respondents suggested that the County needs to find ways to stem the “brain drain” of its young people, especially from the County’s colleges. The brain drain is a subset of what several attendees suggested is the County’s chief problem, i.e., its general population decline. Some of the respondents who mentioned this issue noted that the County should make concerted efforts to recruit additional people to the County, noting that development seldom goes hand in hand with population decline.

Quite a few attendees noted that affordable housing was a crying need in the County. Several specifically said that the lack of affordable housing was responsible for people being forced to look elsewhere to live.

Although often phrasing their concerns in quite different language, many respondents seemed to agree that the County needed to diversify its economy. Several specifically said that the County needed to make a more concerted effort to market the County to Canadian businesses. Others talked about the need to create new small businesses that are not part of the old economy (e.g., internet-based businesses like server farms and alternate fuels production).

Various utilities also received attention from the respondents. Numerous attendees drew attention to the fact that better Internet access (including “last mile” connectivity), cell service, and (especially) more reasonably priced electricity and natural gas were necessary ingredients for an improved County economy. Several attendees explicitly supported going into municipal power in the County.

Local government came in for substantial attention, very little of it complimentary. A substantial number of respondents said that local government was broken and needed fixing – not just because of high local taxes but also for providing poor services. Several respondents drew specific attention to the need for local government consolidation.

Though a handful of respondents noted that the training and educational background of the County’s workforce were wanting, most attendees who addressed workforce issues seemed to assume that, while the workforce needed training as the economy changed, the existing system would be able to inculcate the necessary skills. This is perhaps consistent with the facts that, though 87% also thought that the workforce needed to improve, 95% thought that the educational system was excellent/good.

## **THE ST. LAWRENCE COUNTY ECONOMIC DEVELOPMENT SYSTEM**

The St. Lawrence County Industrial Development Agency is governed by a board of seven appointed by the County Legislature from a variety of backgrounds and from all over the County. It oversees the County's efforts to provide infrastructure, facility, and financing incentives to existing and new employers. The IDA's mission is to ensure the economic vitality of St. Lawrence County by developing employment opportunities for the workers graduated from the workforce development system.

More information on the Industrial Development Agency and its services can be found on its website at [www.slcida.com](http://www.slcida.com).

The St. Lawrence County Workforce Investment Board and the St. Lawrence County Industrial Development Agency, both of whose professional staff is provided by the St. Lawrence County Office of Economic Development, endeavor to maintain and enhance the economic health of St. Lawrence County respectively by developing an integrated network of employment, educational and training services for the employer community and individual job seekers and by providing infrastructure, facility, and financing assistance to employers who create job opportunities.

The St. Lawrence County Workforce Investment Board, a consortium of representatives from private industry, organized labor, public service entities and educational institutions, oversees the County Workforce Investment System. The Board's mission is to ensure the economic vitality of St. Lawrence County by building and maintaining a quality workforce development system that strengthens and provides economic, educational, and developmental opportunities for all citizens and employers.

Eight agencies have partnered to operate the St. Lawrence County One-Stop Career Center in Canton and its access locations in Gouverneur, Massena and Ogdensburg under the direction of the Workforce Investment Board. The One-Stop Career Center provides workforce development activities, labor market information, business services and career development opportunities for its customers – the job seeker and employer community. Customers benefit from an integrated network of partnership services that can understand and respond to their needs.

More information on the Workforce Investment Board and its services can be found on its website at [www.slconestop.com](http://www.slconestop.com).



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