



RAPID RECOVERY REPORT

IVY TECH COMMUNITY COLLEGE • AUGUST 10, 2020

SUMMARY

EMPLOYMENT AND WORKFORCE/EDUCATION DATA TRENDS

- The Department of Labor's July jobs report indicates that the U.S. added 1.8 million jobs last month, better than analysts expected but less than the gains of May and June. The economy has recovered only about 42% of the 22 million jobs lost due to the pandemic recession. The national unemployment rate declined in July from 11.1% to 10.2%.
- The number of Hoosiers filing first-time unemployment claims has averaged 22,000 over the past month; continued unemployment claims also have remained relatively steady with an average of 206,000 over same timeframe; Marion, Allen, Lake, and St. Joseph counties have the highest number of continued unemployment claims.

SECTOR AND REGIONAL INSIGHTS

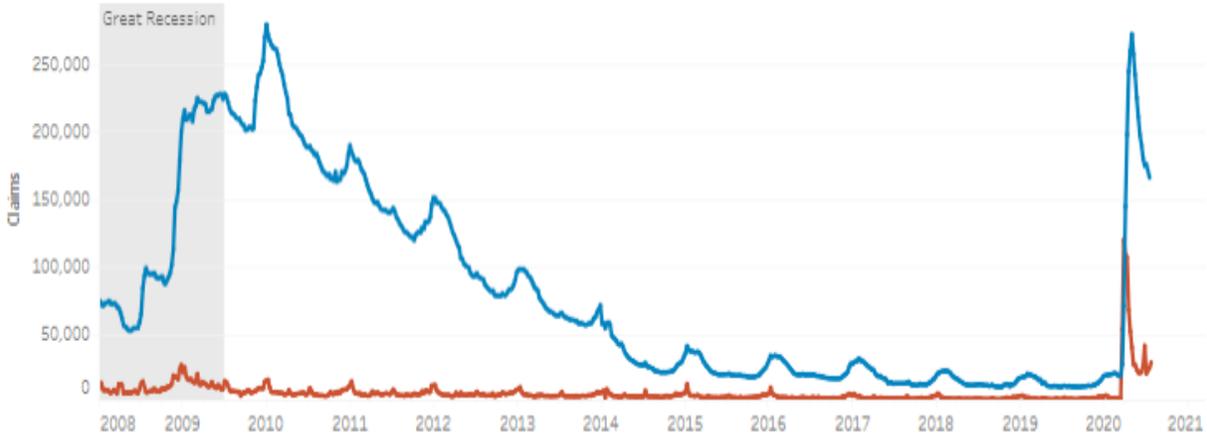
- **Advanced Manufacturing:** The outlook for manufacturing continued to recover through July as the Institute for Supply Management reported a second month of manufacturing growth and a third month of growth for the economy overall. The Indiana Manufacturers Association's monthly survey reveals optimism among its membership about future business operations. Over the next 6-12 months, 8% are very optimistic and 38% are optimistic.
- **Business Logistics/Supply Chain:** Restaurant Industry: labor issues persist. Supply Chain: Inventories are becoming depleted even for some common consumer goods due to inconsistent supply chain performance and changing buying patterns.
- **Information Technology:** Major employers such as Google indicate hiring will increasingly be centered on skills rather than degrees; on-degree education as one of the fastest revenue growth and mission-driven expansion opportunities for higher education.
- **Campuses** continue to highlight movement within their employer communities to restart training and education of incumbent workers, as well as growing response to expanded Next Level Jobs / Workforce Ready Grant-eligible training.

EMPLOYMENT DATA AND TRENDS

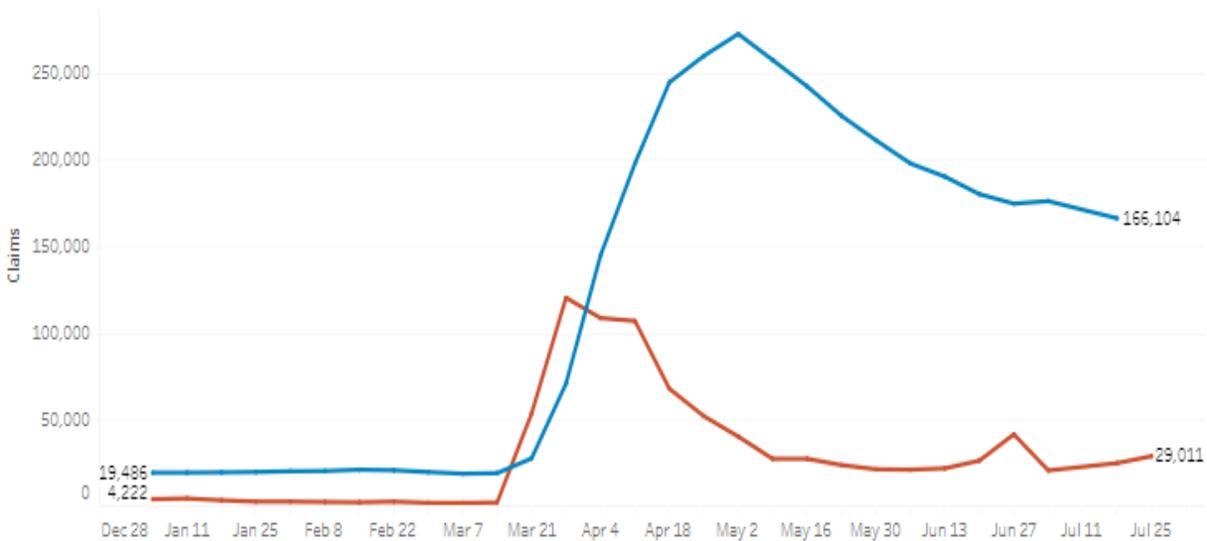
- The Department of Labor’s July jobs report indicates that the **U.S. added 1.8 million jobs last month, better than analysts expected but less than the gains of May and June** and evidence that surges in COVID cases is slowing hiring and an economic rebound. The economy has **recovered only about 42% of the 22 million jobs lost** due to the pandemic recession. The national unemployment rate declined in July from 11.1% to 10.2%, which still exceeds the highest rate during the 2008-2009 Great Recession. As reported in the Indiana Business Journal, economists have forecast a solid rebound in July-September quarter, though not nearly enough to offset the second quarter's fall.

- The **number of Hoosiers filing** first-time unemployment claims has averaged 22,000 over the past month; continued unemployment claims also have **remained relatively steady** with an average of 206,000 over same timeframe; Marion, Allen, Lake, and St. Joseph counties have the highest number of continued claims. See graphs below.

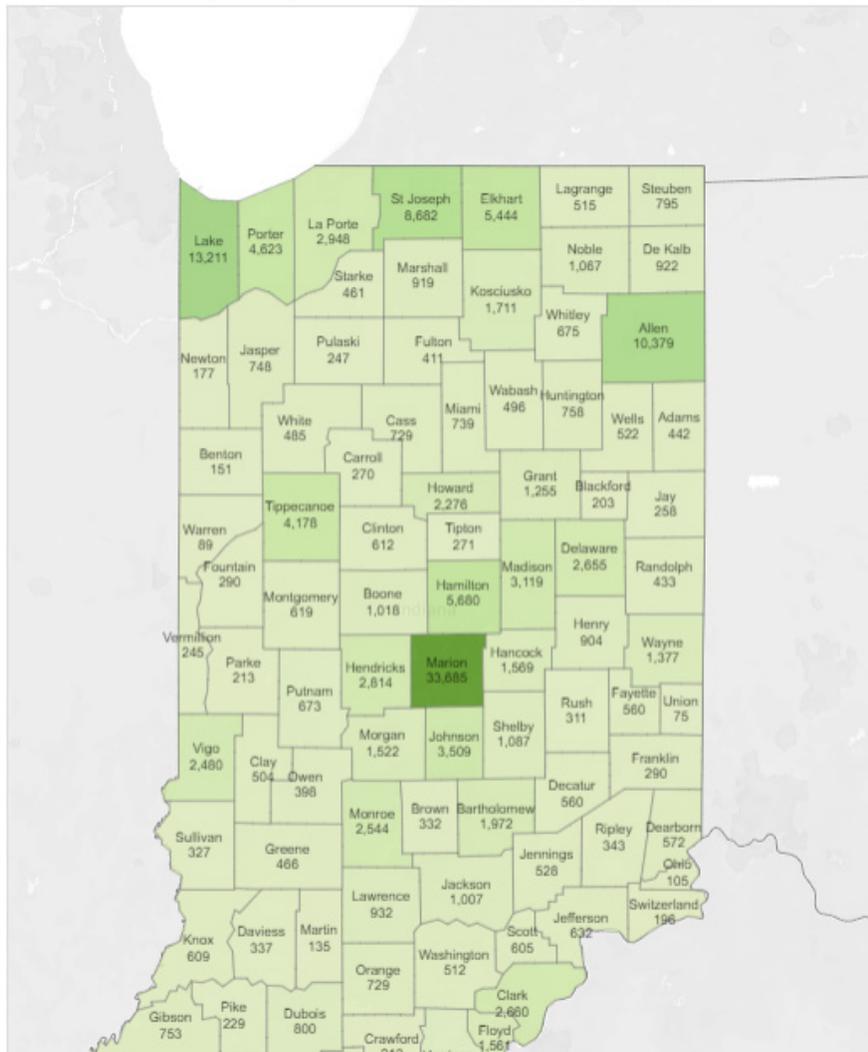
Indiana weekly **initial** and **continued** unemployment claims (Total, All Industries)



2020 claim trends for Indiana (Total, All Industries)



Note: Zeros indicate the data are suppressed because the total number of claims is less than 10.



- The Wall Street Journal reports that COVID-19 has spurred roughly \$13 billion in donations to relief funds and for medical and vaccine research, more than all donations to 12 other big disasters combined, including the 9/11 attacks, the 2008 financial crisis, and hurricanes Harvey and Sandy, according to an analysis by Candid which tracks and analyzes global philanthropy. However, **high levels of philanthropic giving hasn't reached other nonprofits not directly involved in pandemic relief and they report steep declines in giving.** Technology and support to create virtual events and the loss of social aspects is hurting fundraising. The atmosphere of giving and the peer pressure of seeing others bid is difficult to replicate online, according to Nonprofit Technology Enterprise Network, making it impossible for charities to raise money for camps, afterschool programs, mental health services, and hold galas, auctions, etc.

SECTOR AND REGIONAL INSIGHTS

ADVANCED MANUFACTURING

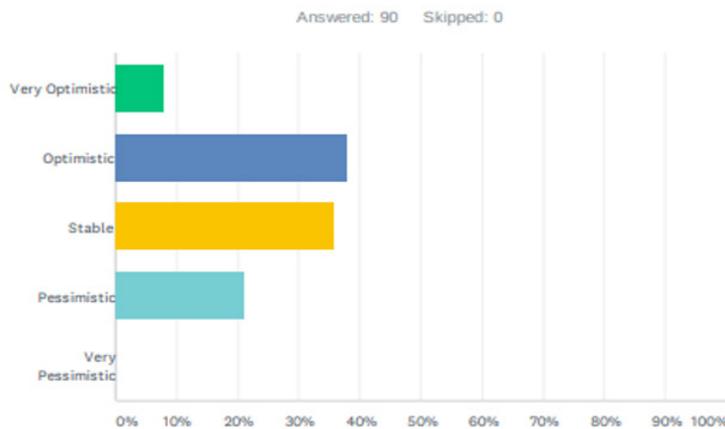
- The **outlook for manufacturing continued to recover** through July as the Institute for Supply Management reported a second month of manufacturing growth and a third month of growth for the economy overall.

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- The Indiana Manufacturers Association's monthly survey **reveals optimism among its membership** about future business operations. Over the next 6-12 months, 8% are very optimistic and 38% are optimistic, 36% stable, 21% pessimistic. Looking out two years ahead, 14% are very optimistic and 53% are optimistic. With recent COVID-19 surging, 67% report optimism or very optimistic in the long-term. The voluntary survey also revealed self-reported data about layoffs. 31% also report they had increased or explored automation while 69% have not. See graph below.

IMA 2-Minute COVID-19 Manufacturing Survey - July 2020

Q2 What is your outlook for the health of your business in the next 6-12 months?



- Grote Industries in Madison has released an article outlining their struggles during the pandemic and optimistic outlook for the future of their company.
- A number of articles highlight the importance of technology for the future of manufacturing; companies who adopted more advanced technologies early proved more resilient worldwide during the pandemic, **accelerating the movement toward Smart Factories and the need even more highly skilled workers.**

BUSINESS LOGISTICS/SUPPLY CHAIN

- **Restaurant Industry:** labor issues persist but adjustment to take-out and delivery models have gone well in general. Restaurants are doing enough to stay afloat but between the threat of another possible COVID-19 shutdown and labor fleeing the industry, the majority of establishments are at risk of closing some or all locations.
- **Supply Chain:** Inventories are becoming depleted even for some common consumer goods due to inconsistent supply chain performance and changing buying patterns. For example, car makers in some instances are very short on 2020 models, which would normally be selling at a high number due to model year closeouts but instead many dealers are pulling back some incentives due to lack of inventory. The 2021 models are starting to arrive and production is up and running. Pork as another example has been in very short supply but other similar products are keeping up.
- **Labor:** Several contacts across industries suggest there are three issues: (1) the ongoing labor shortage from pre-COVID; (2) the labor shortage caused by COVID, and aggressive unemployment packages, and; (3) COVID- related absences either for quarantine or possible exposure. An executive from Select Comfort stated there is rampant absenteeism which is hard to manage in this environment. Managing accountability and empathy to sort out individual issues has been difficult with liability considerations around the spread of the virus.

INFORMATION TECHNOLOGY

- A Forbes blog article highlighted non-degree education as one of the fastest revenue growth and mission-driven expansion opportunities for higher education, particularly as **major employers such as Google indicate hiring will increasingly be centered on skills** rather than degrees.

COMMUNITY ENGAGEMENT AND PARTNER PERSPECTIVES

Campuses report increasing focus on Next Level Jobs – Workforce Ready Grant (WRG) funding opportunities. For example:

- Evansville: Non-credit Commercial Driver's License (CDL) and Certified Nursing Assistant (CNA) classes are filling up at a faster rate than we have seen in a couple of years. We have filled almost all of our CNA spots and are looking at how to add additional classes. We have filled our next three CDL classes taking place in Evansville, Tell City, and Ferdinand.
- Lawrenceburg: The WRG has been a well-used option for many people to take advantage of the CDL training. We are close to filling our classes for the rest of the year.
- Anderson: Campus will host the local WorkOne to tour and discuss collaboration and strategy around Next Level Jobs, specifically as it pertains to CDL.

Other items of note:

- Lawrenceburg: One of our local companies has so many orders to fill they are working all shifts overtime. Because of this, they are postponing training until after the first of the year.
- Madison: One local Achieve Your Degree (AYD) partners has decided to suspend tuition assistance for furloughed employees until further notice. Another AYD employer has requested to start an apprenticeship program and has referred three new AYD students within the past month.
- Columbus: Our largest employers are moving on to 2021 planning and expect to be working virtual through 2020.
- Terre Haute: Chamber of Commerce and the Indiana Chamber of Commerce are partnering to help employers attract, retain and develop talent in conjunction with Indianapolis-based Engage Mentoring to build the largest and most effective cross-company mentoring program in the company to skill up their workforce by connecting with mentors to grow skills on a variety of topics.
- The Indiana Office of Community and Rural Affairs launched "Taking Care of Main Street" to provide operational support for Indiana Main Street programs. The goal is to support rural communities that provide leadership and activities to the public with special attention to organizations significantly impacted by COVID-19. With the grant, these organizations will provide direct assistance to local small businesses who need help as they adjust business models and follow CDC Guidelines. Grants up to \$5000 will be awarded to at least forty Main Street programs who meet various criteria.