



WHITESHIELD PARTNERS
STRATEGY & PUBLIC POLICY ADVISORY

REGIONAL LABOUR MARKET RESILIENCE INDEX 2020

UNITED STATES

POLICY BRIEF

IN COLLABORATION WITH



WITH SPECIAL FOCUS ON



Whiteshield Partners
Strategy & Public Policy Advisory

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Suggested Citation: Whiteshield Partners, US Regional Labour
Market Resilience Index 2020 Policy Brief

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Resilience Index 2020 Policy Brief (hereafter: "Report") was
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statistics from international organizations and interviews with the
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US REGIONAL LABOUR MARKET RESILIENCE RANKING

US States	LRI 2020 rank	1. Structural Pillar Rank	2. Policy Pillar Rank
District of Columbia*	1	13	1
Massachusetts	2	17	2
Maryland	3	11	4
California	4	6	7
Washington	5	14	6
Colorado	6	35	3
Delaware	7	4	9
Minnesota	8	21	5
Connecticut	9	5	12
New Jersey	10	15	10
New Hampshire	11	19	8
Utah	12	3	18
Virginia	13	7	17
Oregon	14	31	13
New York	15	22	15
Rhode Island	16	38	11
Nebraska	17	33	14
Illinois	18	1	26
Kansas	19	26	16
Wisconsin	20	8	23
Alaska	21	10	22
Texas	22	16	27
Vermont	23	9	32
North Dakota	24	28	24
Pennsylvania	25	34	20
North Carolina	26	12	36
Iowa	27	40	19
Hawaii	28	2	41
Georgia	29	32	28
Michigan	30	27	33
Idaho	31	25	35
Missouri	32	36	29
Ohio	33	23	37
Indiana	34	37	31
South Dakota	35	46	21
Montana (US)	36	18	40
Arizona	37	49	25
South Carolina	38	29	39
Wyoming	39	24	42
Florida	40	48	30
Maine	41	51	34
Tennessee	42	47	38
Oklahoma	43	20	48
New Mexico	44	30	49
Alabama	45	44	43
Kentucky	46	42	44
Nevada	47	41	47
Arkansas	48	45	46
Louisiana	49	39	50
Mississippi	50	43	51
West Virginia	51	53	45

Source: Whiteshield Partners; Note: Based on the Regional Labour Market Resilience Model 2020 constructed for the United States

For a review of the methodology see appendix 1 of the 'Global Labour Resilience Index 2020: The Geography of Work'

* As the federal capital, the District of Columbia has a special status under the constitution that gives the United States Congress exclusive jurisdiction over the District.

THE US LABOUR MARKET RESILIENCE HEATMAP 2020

7/10

Of the most resilient US states are located on the two coasts

21:1

Ratio of venture capital per capita in San Francisco to the national average



California scores much higher than the US LRI average for US states for technology, innovation and entrepreneurship reflecting the innovation clusters driving the state's success

Colorado and Utah have become resilience leaders through the combination of a young workforce and a focus on diversifying into advanced technology industries

Wyoming scores 32% below the LRI average for US states for gender equality

Illinois is an example of a state whose policy performance, particularly in education and employment is driven primarily by Chicago, which is responsible for over 75% of state GRP

Many states in the rustbelt are classified as 'policy turnarounds' with poor scores for income per capita and innovation reflecting the regions decline as heavy industry and manufacturing was off-shored

7/10

Best universities in America are situated on east coast



East coast states score 33% better than US LRI average in education and 12% above average in employment



District of Columbia ranks first in US LRI. The district benefits from its young demographics, high income per capita and the presence of the federal government with associated economic benefits

-40%



Below US average for technological infrastructure

Southeastern states: Location of 5/10 of the most unequal states and the poorest technological infrastructure in the country, restricting economic development, social cohesion and sustainable growth

7/10

Of the least resilient US states are located in the South-West

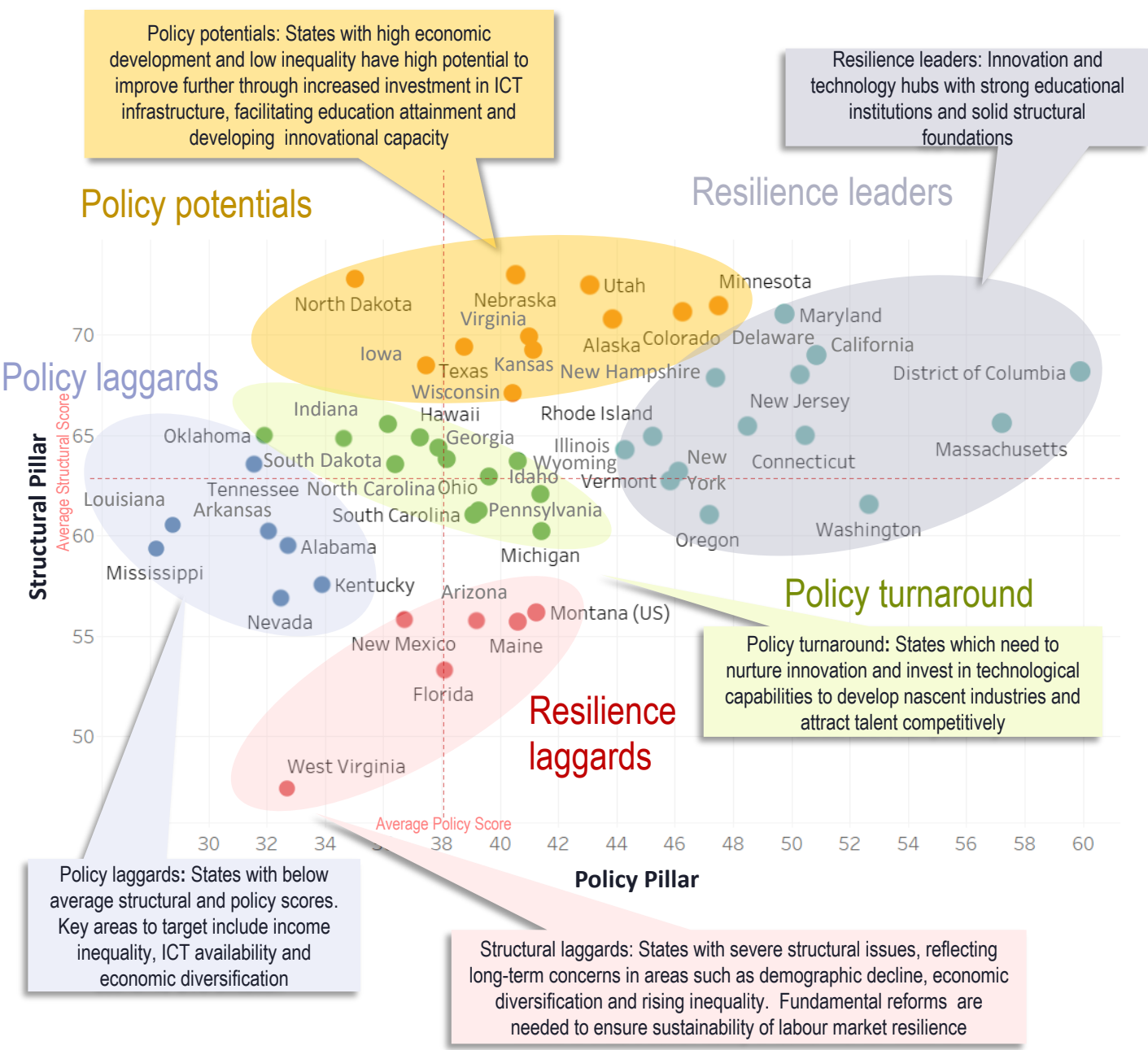
Florida is the 2nd weakest state on the structural pillar, in particular with an increase in the number of retirees and high inequality

Texas's structural labour market resilience sustained by 4 growth poles of El Paso, Austin, Houston and Dallas. Policy gaps to address in education and innovation which are below the average for the US states in the Whiteshield LRI

Labour resilience segmentation

Tier 1
 Tier 2
 Tier 3
 Tier 4

US REGIONAL LABOUR MARKET RESILIENCE PERFORMANCE MATRIX



Source: Whiteshield Partners
 Note: Segmentation by tier based on results of the US Regional Labour Market Resilience model

REGIONAL CASE STUDIES

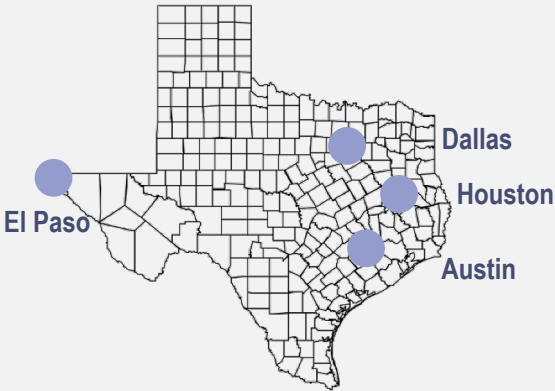
POLICY POTENTIAL: CONNECTING GROWTH POLES IN TEXAS

Four growth poles in Texas are the key drivers for its balanced economy



Structural Pillar: 16th
Policy Pillar: 27th

22nd
LRI Rank



20%

Share of U.S exports

65%

Service sector
contribution to private
sector activity

75%

Texas's share of US
petrochemical production

DALLAS



TEXAS'S BUSINESS AND FINANCIAL HUB

- 30% contribution to Texas GSP
- Population: 1.3 million
- Cost of doing business: 3% lower than national average
- 14% of population employed in business and financial services

HOUSTON

- 28% contribution to Texas GSP
- Population: 2.13 million
- Refines 45% of Texas's oil production
- Energy and mining employs 13% of the city's population

STRONG ENERGY BASE



AUSTIN



A CENTER FOR INNOVATION AND EDUCATION

- 8% contribution to Texas GSP
- Population: 0.9 million
- Highest educated population in Texas (42.8% of people aged above 25 have at least a bachelor degree)
- Contributes to 31% of total patents awarded in Texas

EL PASO

- 1% contribution to Texas GSP
- Population: 0.6 million
- Second largest port of entry between USA and Mexico
- Highest share of employment is in retail (13%)

STRATEGIC POSITIONING FOR TRADE AND COMMERCE



Source: Whiteshield Partners, Federal Reserve Bank of Dallas, US. Bureau of Labor Statistics



POLICY TURNAROUND: MOVING BEYOND SINGLE CITY DEPENDENCE IN ILLINOIS



Structural Pillar: 1st
Policy Pillar: 26th

18th
LRI Rank

86%

Counties had population decline post 2010

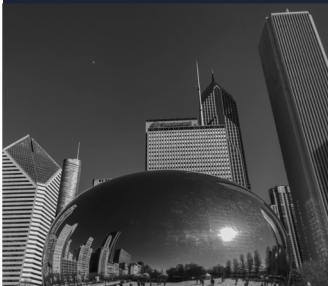
85%

Percentage of Illinois' job gains in Chicago post - 2009

77.4%

Contribution of Chicago to Illinois GRP

CHICAGO



CITIZENS ARE SPATIALLY EXCLUDED FROM THE GROWTH ECONOMY

- Illinois – like much of the Midwest – has faced diverging economic outcomes within the state.
- The emergence of one large city – Chicago – has become the locus point of nearly all economic activity within the state, to the detriment of the remaining areas.
- With a large services and financial sectors, Chicago has been insulated than the rest of the state from the struggles affecting both the construction and manufacturing industries
- Chicago has continued to succeed, becoming the 20th largest economy worldwide
- However, this success has not translated into statewide prosperity



Spatial income divide



Breakdown in trust



Rural-urban divide



NEW DEAL FOR LABOUR RESILIENCE CASE: MILWAUKEE

Region: Wisconsin
Employment Rate: 95%



Structural Pillar: 8th
Policy Pillar: 23rd

20th
LRI Rank

16

Old age dependency
ratio

33%

Hold BA degree or
higher

26.6%

Poverty rate

CONTEXT

- Milwaukee is in one of the leading regions in the U.S. for manufacturing, with the 2nd largest % of workforce employed in manufacturing
- As traditional manufacturing has declined, Milwaukee has become a transition city, diversifying its traditional economic structure through innovation

POLICY

- Milwaukee is balancing its legacy industries with large manufacturers such as Harley Davidson and Miller with new service-based employment
- The city has prioritized innovation recently with projects such as Technology Innovation Centre, MiKE initiative, The Commons and Gener8tor

KEY CHALLENGES

- Further diversification and renewal with a new economic structure
- A severe skills gap problem due to low high education attainment and ageing population
- High levels of city spatial inequality and racial segregation

POLICY PERSPECTIVES

- Introduce digital skills training to promote development of service-based employment
- Connect with employers to develop upskilling and lifelong learning programs
- Engage with the public in developing solutions to long-standing economic and social issues

SELECTED BEST PRACTICES



UK Digital Skills Innovation Funds: Fund to pilot and scale up innovative programs to address regional problems



ManpowerGroup's Academy of Advanced Manufacturing: Industry-led training for veterans



Scotland's citizens' assembly to gain input on major national questions



CONNECTING FOR LABOUR RESILIENCE CASE: SAN FRANCISCO

Region: California
Employment Rate: 98%



Structural Pillar: 6th
Policy Pillar: 7th

4th
LRI Rank

52

Companies worth
over USD 1 billion

52%

Projected GMP growth
(2020-2030)

13%

Projected growth of
tech jobs (2019-2026)

CONTEXT

- San Francisco is well known as a global hub for innovation - it is home to tech giants like Alphabet and Facebook
- San Francisco Bay Area attracted 40% of total US venture capital investments in 2018

POLICY

- The government of San Francisco has effectively leveraged tax policies in order to attract companies. Current tax policy provides clear economic stimulus for clean-tech start-ups.
- The city also benefits from proximity to world's prestigious universities like Stanford and UC Berkeley that creates an inflow of talent

KEY CHALLENGES

- High levels of inequality and homelessness
- High cost of living

POLICY PERSPECTIVES

- Further involve local firms and citizens in helping to solve the city's most pressing problems
- Leveraging existing tech capabilities to provide skills and education to lower-income and disadvantaged citizens

SELECTED BEST PRACTICES

- TechSF: Initiative launched to provide education, training and employment assistance for citizens interested in tech jobs
- ConnectSF: initiative to create a vision for public transport in San Francisco through discussions with community members, focus groups and online forums
- STIR (Startup in Residence): program connecting government agents with startups to develop technology products that address civil challenges

Source: ConnectSF, TechSF, World Economic Forum, San Francisco Committee on Information Technology, Oxford Economics

**THE FUTURE IS LOCAL:
MAKING LABOUR
MARKET RESILIENCE
HAPPEN AT THE LOCAL
LEVEL**

PROFILE

Identify priority segments of citizens living in **Illinois** outside of **Chicago** for policy interventions (e.g., age, gender, ethnicity, geography, needs)

YOUTH EMPLOYMENT
SUPPORT SCHEME
(YESS)

NEW DEAL

Establish collaborative programs between local authorities, the private sector and citizens to develop a new economic agenda for **Milwaukee**

DECIDE MADRID



CONNECT

Facilitate diffusion of digital skills and expertise from innovation cluster in **San Francisco** to disadvantaged citizens through government-industry partnership

DIGITAL SKILLS
PARTNERSHIP
(DSP)

ACCELERATE

Create publicly-funded innovation accelerators to spur the development of new industries in **Illinois** or **Milwaukee**

ENTREPRENEURS
PROGRAMSUSTAIN
GOODWILL

Perform yearly analysis of well-being of four main growth poles in **Texas** to ensure optimal spatial development

EU REGIONAL
ASSESSMENTS



DOWNLOAD THE FULL REPORT AT:
https://www.whiteshieldpartners.com/insights/glri_report



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