

## **II. STRATEGIC ELEMENTS**

The Unified or Combined State Plan must include a Strategic Planning Elements section that analyzes the State’s current economic environment and identifies the State’s overall vision for its workforce development system. The required elements in this section allow the State to develop data-driven goals for preparing an educated and skilled workforce and to identify successful strategies for aligning workforce development programs to support economic growth. Unless otherwise noted, all Strategic Planning Elements apply to Combined State Plan partner programs included in the plan as well as to core programs.

### **A. ECONOMIC, WORKFORCE, AND WORKFORCE DEVELOPMENT ACTIVITIES ANALYSIS**

The Unified or Combined State Plan must include an analysis of the economic conditions, economic development strategies, and labor market in which the State’s workforce system and programs will operate.

#### **1. ECONOMIC AND WORKFORCE ANALYSIS**

##### **A. ECONOMIC ANALYSIS**

The Unified or Combined State Plan must include an analysis of the economic conditions and trends in the State, including sub-State regions and any specific economic areas identified by the State. This must include—

##### **I. EXISTING DEMAND INDUSTRY SECTORS AND OCCUPATIONS**

Provide an analysis of the industries and occupations for which there is existing demand.

##### **II. EMERGING DEMAND INDUSTRY SECTORS AND OCCUPATIONS**

Provide an analysis of the industries and occupations for which demand is emerging.

##### **III. EMPLOYERS’ EMPLOYMENT NEEDS**

With regard to the industry sectors and occupations identified in (A)(i) and (ii), provide an assessment of the employment needs of employers, including a description of the knowledge, skills, and abilities required, including credentials and licenses.

##### **i. Existing Demand Industry Sectors and Occupations**

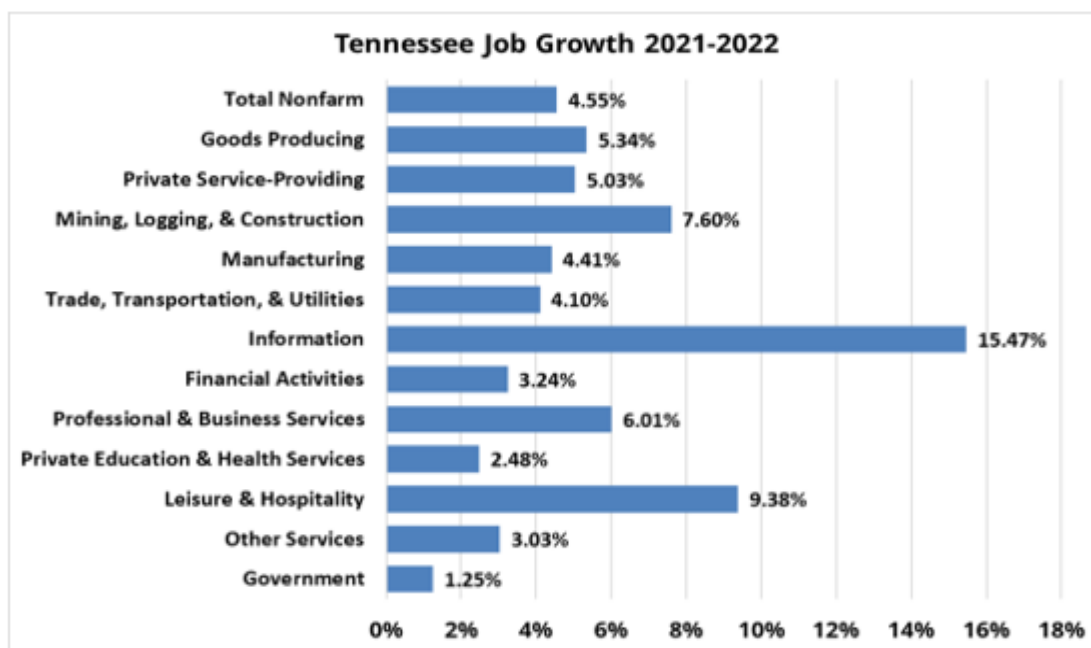
### **A. (1) Existing Demand Industry Sectors and Occupations**

**The Tennessee Economy in 2022** Nonfarm employment in Tennessee (by place of residence) increased by 1.7 percent from 2021 to 2022, adding 53,296 jobs over the year (see summary, p. 3). Metropolitan growth (by place of employment) was positive for all major metropolitan areas with Memphis, Nashville, Knoxville, and Chattanooga all gaining employment by three percent or more. The Nashville MSA showed the greatest increase in employment. Employment increased in 89 of the 95 counties. The number of establishments grew by 10.1 percent and nominal total payroll increased by 9.9 percent to 196.1 billion dollars. The average annual median wage (not adjusted for inflation) also increased by 5.9 percent to \$39,929. The average hourly wage for production workers was

\$20.38.

In June 2022 the TDLWD job bank, jobs4tn.gov, listed an average of 0.48 unemployed workers for each job opening, making it more difficult for employers to find workers in the economy. Although the unemployment rate for veterans was below the state average, rates for youth and those with disabilities, as well as the poverty rate, were still in the double digits. There was a significant increase in the unemployment rate of those under the poverty level.

**Statewide Industry Employment 2022** By place of employment, manufacturing jobs increased by 4.41 percent, nearly as rapidly as employment in the private service-providing sector. In services, the information and arts and entertainment industries showed the largest growth rates in the state, at 15.5% and 9.4% respectively. Other industries that experienced significant growth rates over the past year were accommodation and food services; mining, logging, and construction; and professional and business services (Fig. 1).



Source: TDLWD, WIR<sup>2</sup>ED Division, Current Employment Statistics

Figure 1.

Manufacturing, retail trade, and healthcare and social assistance remained the largest sectors in total employment in 2022 (Table 1), followed by accommodation and food services, local government (including education), and administrative support, waste management, and remediation services. Over the five-year period from 2017 to 2022, the industry sectors adding

the most jobs were mining, logging, and construction; transportation, warehousing, and utilities; and professional, scientific, and technical services.

Other sectors adding 10,000 or more jobs over the last five years were administrative support, waste management, and remediation (12,600); health care and social assistance (12,300); other services (11,300); and durable goods manufacturing (10,300) (Table 1).

**Table 1. Tennessee Industry Employment, 2017-2022**

Industry Employment (in thousands)	2017	2021	2022	2021-2022		2017-2022	
<b>Total Nonfarm</b>	3,016.4	3,103.5	3,244.8	141.3	4.6%	228.4	7.6%
<b>Goods Producing</b>	471.4	490.2	516.4	26.2	5.3%	45.0	9.5%
<b>Mining, Logging, &amp; Construction</b>	124.6	140.7	151.4	10.7	7.6%	26.8	21.5%
<b>Manufacturing</b>	346.8	349.5	364.9	15.4	4.4%	18.1	5.2%
<b>Durable Goods Manuf.</b>	222.2	221.5	232.5	11.0	5.0%	10.3	4.6%
<b>Non Durable Goods Manufacturing</b>	124.6	128.0	132.4	4.4	3.4%	7.8	6.3%
<b>Private Service-Providing</b>	2,114.7	2,181.8	2,291.6	109.8	5.0%	176.9	8.4%
<b>Trade, Transportation, &amp; Utilities</b>	616.4	650.6	677.3	26.7	4.1%	60.9	9.9%
<b>Wholesale Trade</b>	119.3	121.3	129.5	8.2	6.8%	10.2	8.5%
<b>Retail Trade</b>	332.9	331.3	341.0	9.7	2.9%	8.1	2.4%
<b>Transportation, Warehousing, &amp; Utilities</b>	164.2	197.9	206.8	8.9	4.5%	42.6	25.9%
<b>Information</b>	46.3	47.2	54.5	7.3	15.5%	8.2	17.7%
<b>Financial Activities</b>	162.7	169.7	175.2	5.5	3.2%	12.5	7.7%
<b>Finance &amp; Insurance</b>	123.0	128.9	132.4	3.5	2.7%	9.4	7.6%
<b>Real Estate, Rental &amp; Leasing</b>	39.8	40.7	42.8	2.1	5.2%	3.0	7.5%
<b>Professional &amp; Business Services</b>	410.7	437.8	464.1	26.3	6.0%	53.4	13.0%
<b>Professional, Scientific &amp; Technical Services</b>	137.8	158.3	170.7	12.4	7.8%	32.9	23.9%
<b>Management of Companies &amp; Enterprises</b>	46.1	51.8	54.1	2.3	4.4%	8.0	17.4%
<b>Admin, Support, Waste Mgt &amp; Remediation Services</b>	226.8	227.6	239.4	11.8	5.2%	12.6	5.6%
<b>Private Education &amp; Health Services</b>	435.0	439.9	450.8	10.9	2.5%	15.8	3.6%
<b>Private Educational Services</b>	60.1	61.6	63.6	2.0	3.2%	3.5	5.8%
<b>Health Care &amp; Social Assistance</b>	374.9	378.3	387.2	8.9	2.4%	12.3	3.3%
<b>Leisure &amp; Hospitality</b>	329.2	314.5	344.0	29.5	9.4%	14.8	4.5%
<b>Arts, Entertainment &amp; Recreation</b>	37.8	37.4	43.3	5.9	15.8%	5.5	14.6%
<b>Accommodation &amp; Food Services</b>	291.4	277.2	300.7	23.5	8.5%	9.3	3.2%
<b>Other Services</b>	114.5	122.1	125.8	3.7	3.0%	11.3	9.9%
<b>Government</b>	430.4	431.5	436.9	5.4	1.3%	6.5	1.5%
<b>Federal Government</b>	49.1	51.6	52.4	0.8	1.6%	3.3	6.7%
<b>State Government</b>	98.0	94.6	94.3	-0.3	-0.3%	-3.7	-3.8%
<b>Local Government</b>	283.3	285.3	290.2	4.9	1.7%	6.9	2.4%

Source: TDLWD, WIR<sup>2</sup>ED Division, Current Employment Statistics

## Industry Projections to 2030

From a base of 3.2 million jobs in 2020, total employment for Tennessee, including agricultural, self-employed, and private household workers, is expected to grow to 3.7 million by 2030. Expected to increase by 0.9 percent annually, as it recovers from lower employment in the base year of 2020 due to the pandemic, Tennessee’s economy in the long run is expected to continue expansion in eleven of twelve major industry sectors, with only retail trade expected to decline in employment from 2020 to 2030. The goods-producing industries are expected to expand by 1.25 percent annually and create an estimated 32,775 jobs over the 10- year period.

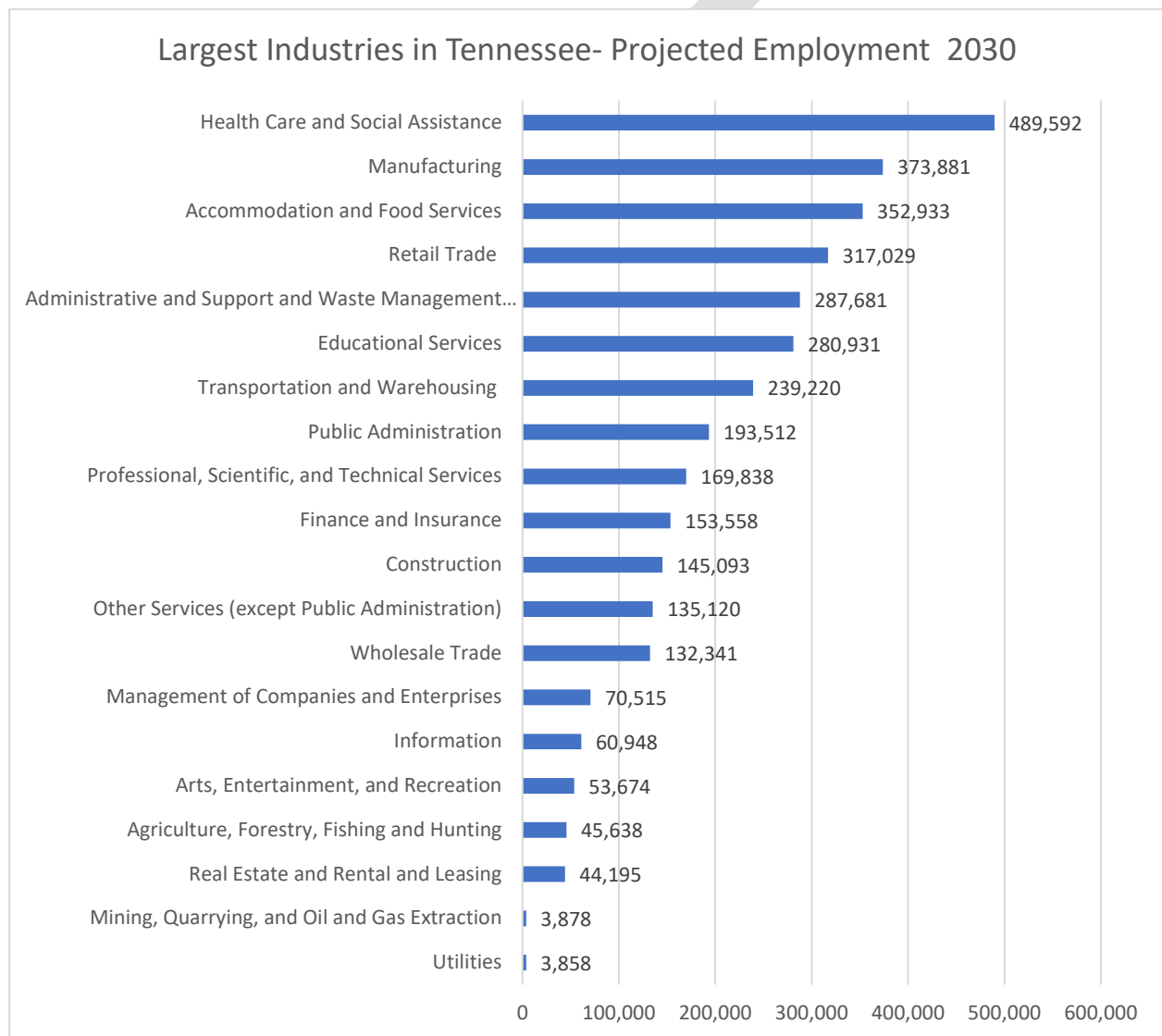


Figure 2

Tennessee’s new efforts to manufacture electric vehicles and batteries, expand charging stations across the state, and other initiatives, are expected to propel the manufacturing

industry to create nearly 40,000 jobs over the decade, and construction to create nearly 15,000. With the location of additional tech firms, the information industry could create nearly 19,000 jobs. Tennessee’s largest industries by 2030 are expected to be health care and social assistance, manufacturing, accommodation and food services, and retail trade (Figure 2).

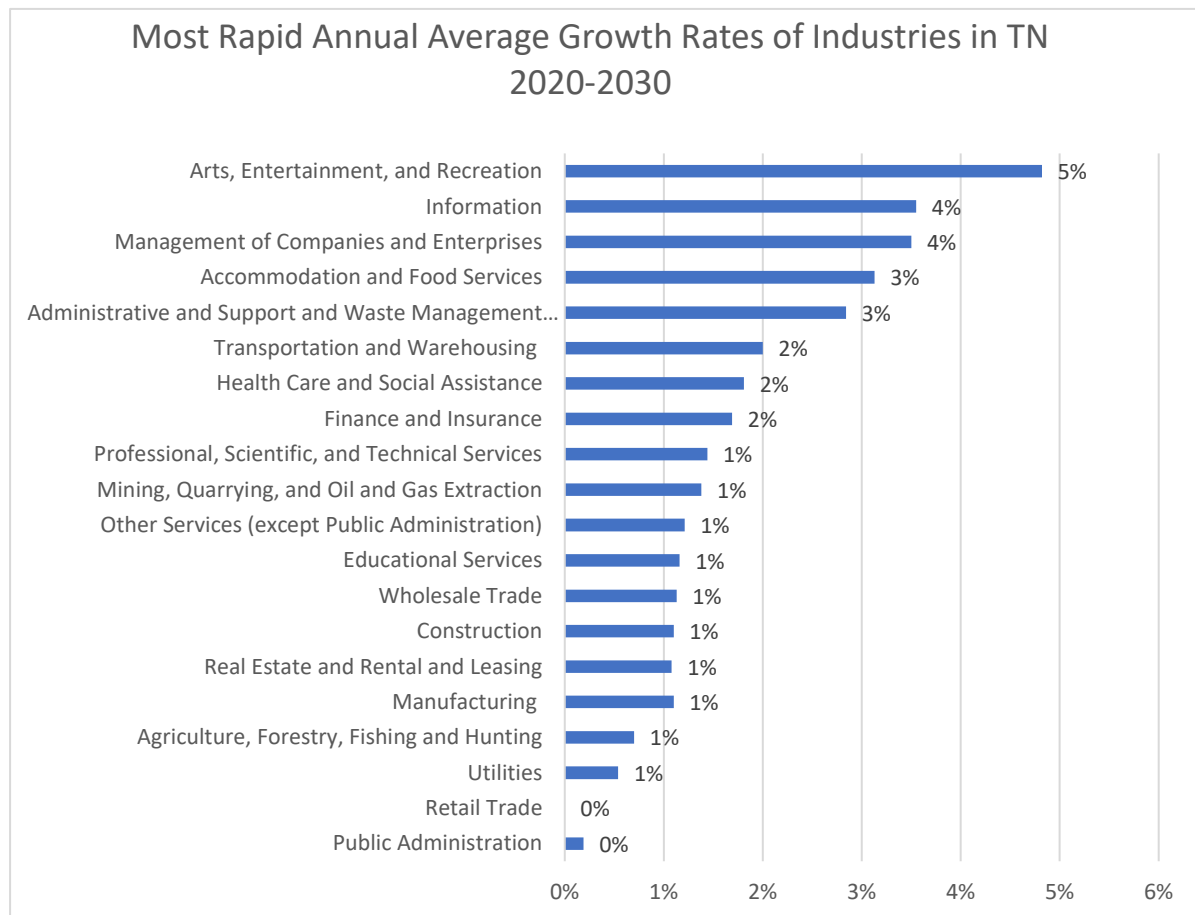


Figure 3

Starting from 2020 base year employment, arts, entertainment, and recreation is expected to be the fastest-growing industry, as it recovers from pandemic employment losses (Figure 3). Due to recovery from 2020, accommodation and food services is projected to be the fourth most rapidly growing industry. Other rapidly growing sectors will include management of companies and enterprises and information, with tech companies planning to locate more employees in Tennessee. The services-providing sector is expected to expand at an annual growth rate of 1.7 percent. Other fast-growing services industries will include administrative and support and waste management and remediation and transportation and warehousing. Health care and social assistance will be one of the fastest-growing industries

but is also expected to provide the second largest number of new jobs (80,570), over the ten-year period. Educational services will continue to grow at about one percent annually.

### **TN's Top Industries**

In 2021-2022, based on place of work, Tennessee employment grew by nearly 4.6 percent, a notable recovery from the pandemic. Nonfarm employment in 2022 averaged 3,244,800 jobs, which was 141,300 more jobs than in 2021 (Table 1). All of Tennessee's 10 MSAs had positive employment growth from 2021 to 2022. The Nashville MSA had the largest increase- 69,900 jobs. Notably, for the state, growth in the goods- producing sector of 5.3 percent outpaced that of the private service-providing sector (5.0) as in-sourcing of manufacturing increased with billions of dollars in investment pouring into Tennessee. The growth in technology across many sectors contributed to the information industry being the most rapidly- growing sector in 2021-2022. Based on their historical growth, recent growth, employment size, projected growth, and for most, average weekly wages being above that of the state for 2022, seven industries were selected as top industries on which to focus employment services.

Spurring employment growth in the state are Tennessee's top industries, including:

- **Leisure & hospitality-** The industry "Art, Entertainment and Recreation" is first in terms of the number of jobs expected (60%) to be added by 2030 and the industry "Accommodation and Food Services" is placed fourth in terms of projected job growth (36%).
- **Health care and social assistance-** The largest industry in 2020 and projected to be the largest in 2030, it ranks second in the number of jobs expected to be added by 2030.
- **Manufacturing-** Ranked second in employment, and fifth in employment growth in 2021-2022, it also ranked fifth in the number of jobs expected to be added by 2030.
- **Transportation, warehousing, and utilities-** ranked first in the percent growth of new jobs from 2017-2022, it also ranked fourth in the number of new jobs expected to be added by 2030.
- **Professional, scientific, and technical services-** Ranked second in new jobs added in the five- year period, and one of the top five industries in growth in 2021-2022.
- **Construction-** It was in the top three industries for growth of new jobs in the last five years and in new jobs added from 2021-2022.
- **Information-** The industry grew at the most rapid pace of any in Tennessee from 2021-2022 at more than 15 percent in employment.

According to annual averages for 2022, these industries employ 54.7% of the total workforce. Health care and social assistance ranks first with a 13.5% market share, followed by manufacturing with an 11.7% market share and leisure and hospitality with a 10.78% market share.

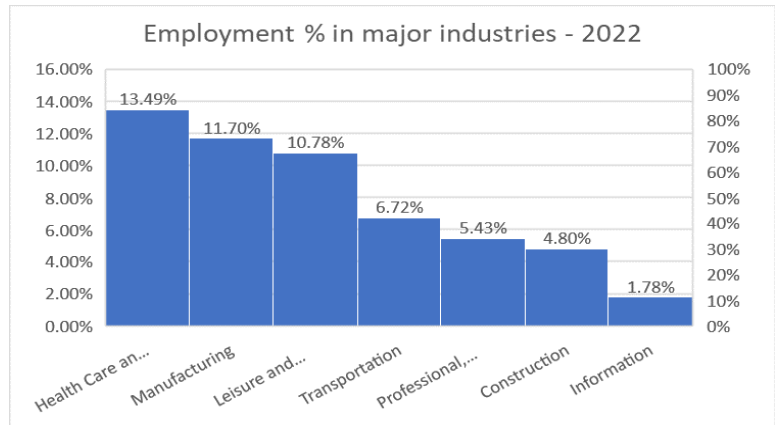


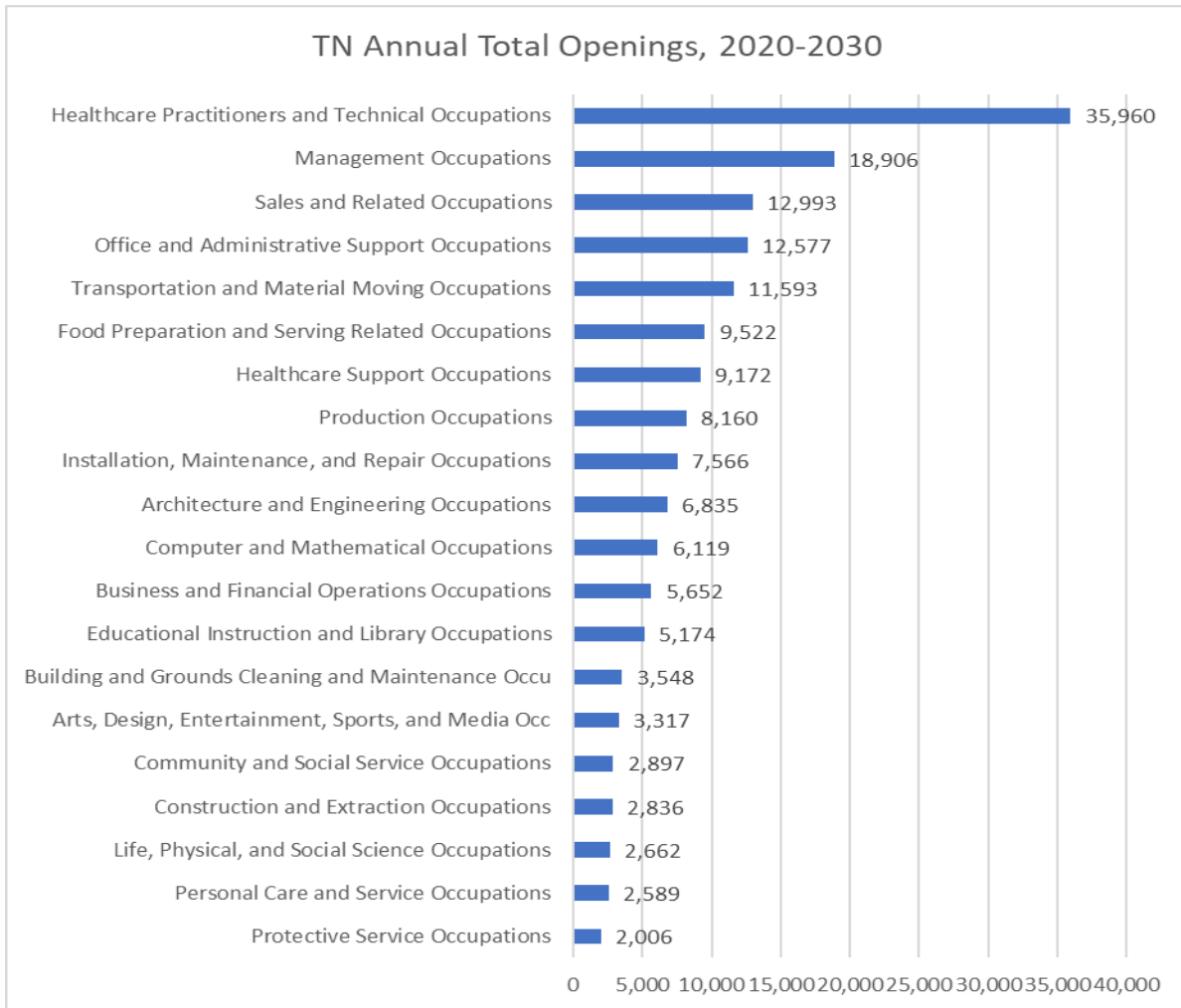
Figure 4

### Occupations in Demand - Occupational Projections

Almost 520,000 new jobs are expected to be created in Tennessee in the next ten years, although some are jobs returning after the pandemic. The largest number of new jobs by occupational group is for food preparation and serving related jobs, as many of these jobs are being restored after 2020; similarly, some of the office and administrative support and production jobs are returning after 2020 losses.

Other top new job-creating groups which did not suffer in the pandemic but will continue their growth include management and transportation and material moving. Healthcare practitioners and technical occupations are the fourth largest group, with healthcare support expected to create close to 37,000 jobs. Business and financial occupations also are forecast to expand. The top five occupational groups with the highest median salaries in 2020 included management, architecture and engineering, computer and mathematical, legal, and life, physical, and social science.

Job openings consist of new jobs as well as jobs created by workers transferring out of job classes or exiting the labor force altogether. For most occupational groups, the number of jobs created by transfers and exits far outweighs the number of new jobs. Top occupational groups expected to have the most job openings in 2020-2030 include: healthcare practitioners and technical, management, and sales occupations (Figure 5). The total number of occupational openings in the state of Tennessee by 2030 is projected to be more than 4.5 million.



Source: TN Department of Labor and Workforce Development, WIR<sup>2</sup>ED Division, Tennessee Long-Term Industry Projections 2020-2030.

Figure 5

### Significant Occupational Shortages (SOS)

A continuing feature in today's economy is concern by employers in Tennessee about the shortage of workers to fill available jobs. Having enough employees allows employers to maintain productivity and expand as the economy grows. The Tennessee Department of Labor and Workforce Development's web site, jobs4tn.gov, in June 2023 listed 4.3 jobs for every unemployed person in the state. This is a nearly 80 percent increase over 2022. The three tables in this section compare the number of job openings listed in jobs4tn.gov for 2022 with the number of active resumes on the system for that year. Not all employers post jobs, nor do all individuals desiring jobs post resumes, but the data do provide a snapshot of areas which appear to have sizable labor force imbalances, and which need a greater supply of workers.



Table 5 shows the top 15 occupations in Tennessee by supply gap which require more than a high school diploma but less than a bachelor’s degree. Nine of these are skilled occupations in healthcare, ranging from registered and licensed practical nurses to respiratory therapists. Most of these occupations require associate degrees. Significant shortages are also observed in the following occupations: heavy tractor trailer drivers, bookkeepers and administrative support workers, and computer user support specialists. As more companies expand their operations so that their workers can work remotely, this is an occupation that is projected to be in need.

**Table 5: Top Supply Gaps- Postsecondary through the Associate Degree**

	<b>Education Level</b>	<b>Sum of Job Openings 2022</b>	<b>Sum of Resumes 2022</b>	<b>Openings Minus Resumes</b>	<b>Entry Level Annual Wage 2022</b>
Registered Nurses	AA	93,116	625	92,491	54,486
Licensed Practical and Licensed Vocational Nurses	PS	19,558	296	19,262	36,873
Heavy and Tractor-Trailer Truck Drivers	PS	20,026	1,558	18,468	37,627
Nursing Assistants	PS	12,949	603	12,346	26,850
Surgical Technologists	PS	5,331	34	5,297	40,456
Bookkeeping, Accounting, and Auditing Clerks	SC	5,892	976	4,916	30,253
Medical Assistants	PS	5,031	811	4,220	28,974
Radiologic Technologists and Technicians	AA	3,863	51	3,812	42,802
Computer User Support Specialists	SC	4,208	513	3,695	36,615
Heating, Air Conditioning, and Refrigeration Mechanics and Installers	PS	3,777	192	3,585	35,517
Automotive Service Technicians and Mechanics	PS	3,348	352	2,996	31,045
Respiratory Therapists	AA	2,952	52	2,900	48,462
Phlebotomists	PS	2,929	184	2,745	29,229
Hairdressers, Hairstylists, and Cosmetologists	PS	2,621	391	2,230	20,559
Dental Assistants	PS	2,244	274	1,970	32,692

Key: AA Associate's degree; SC Some college; PS Postsecondary non-degree award  
 Sources: jobs4tn.gov job openings posted and active resumes 2022; OEWS 2022 entry level wages

Table 6 displays the top 15 occupations with labor supply shortages which usually require only a high school diploma or the equivalent and for which entry level wages are twenty percent above

the 2022 median entry level wage in the state. Three of the occupations most in need of applicants are supervisors- of production; mechanics, installers, and repairers; and construction trades. Their wages are right on par with state median wages. Transportation occupations with shortages include transportation and distribution managers, commercial pilots, and transportation inspectors. Utility workers including electrical power line installers and repairers as well as power dispatchers are in high demand, as well as production employees like industrial machinery mechanics.

**Table 6: Top Supply Gaps- High School, High Wage**

Occupation Title	Education Level	Sum of Job Openings 2022	Sum of Resumes 2022	Openings Minus Resumes	Entry Level Annual Wage 2022
First-Line Supervisors of Production and Operating Workers	HS	6,488	1,094	5,394	42,576
Postal Service Clerks	HS	3,228	159	3,069	46,508
Transportation, Storage, and Distribution Managers	HS	2,878	425	2,453	59,054
First-Line Supervisors of Mechanics, Installers, and Repairers	HS	2,211	232	1,979	44,257
First-Line Supervisors of Construction Trades and Extraction Workers	HS	843	355	488	44,789
Industrial Machinery Mechanics	HS	525	105	420	42,307
Power Distributors and Dispatchers	HS	423	11	412	52,008
Claims Adjusters, Examiners, and Investigators	HS	569	221	348	44,488
Chemical Plant and System Operators	HS	358	53	305	49,106
Electrical Power-Line Installers and Repairers	HS	308	30	278	48,114
Commercial Pilots	HS	290	12	278	75,976
Brokerage Clerks	HS	224	24	200	46,082
Detectives and Criminal Investigators	HS	113	37	76	45,242
Precision Instrument and Equipment Repairers, All Other	HS	58	2	56	42,857

Key: HS High school

Sources: jobs4tn.gov 2022 annual online job openings; active resumes and unemployed persons with occupations 2022; OEWS 2022 entry level wages by occupation.

Table 7 lists the top 15 occupations with critical shortages of candidates which require a bachelor's degree. Management occupations are prominent, including general, marketing, sales, and financial,

as well as their professional support staff in accounting and human resources. As the manufacturing industries in Tennessee including the production of electrical vehicles, batteries, medical supplies, and other products grow, the demand for engineers is also increasing. Computer analysts and computer systems programmers had more than 9,000 job openings listed with fewer than 250 applicants available. As technology companies continue to move into Tennessee, this is a trend that should continue, unless training is significantly increased.

**Table 7: Top Supply Gaps: Bachelor’s Degree Occupations**

Occupation Title	Education Level	Sum of Job Openings 2022	Sum of Resumes 2022	Openings Minus Resumes	Entry Level Annual Wage 2022
General and Operations Managers	BA	11,369	1,466	9,903	57,596
Accountants and Auditors	BA	8,333	671	7,662	47,341
Computer Programmers	BA	4,879	74	4,805	73,015
Computer Systems Analysts	BA	4,343	175	4,168	59,031
Financial Managers	BA	4,314	357	3,957	82,470
Medical and Health Services Managers	BA	4,308	355	3,953	66,563
Human Resources Specialists	BA	4,284	803	3,481	38,070
Mechanical Engineers	BA	3,333	151	3,182	63,696
Management Analysts	BA	3,369	212	3,157	56,766
Sales Managers	BA	6,029	3,202	2,827	76,167
Industrial Engineers	BA	2,978	151	2,827	64,622
Civil Engineers	BA	2,561	43	2,518	63,044
Marketing Managers	BA	2,984	488	2,496	75,266
Electrical Engineers	BA	2,550	56	2,494	69,108
Producers and Directors	BA	2,533	220	2,313	34,885

Key: BA= Bachelor’s degree. Source: TDLWD, WIRED Division, TN Occupational Projections 2020-2030; OEWS 2022; jobs4tn.gov job openings and active resumes 2022.

### Assessing Teacher Vacancies

Most teachers apply for licenses with the Tennessee Department of Education and then apply for jobs through local school district web sites. These vacancies are not posted to a central web site for the state. Using available data, the largest supply gaps are for elementary, secondary, and middle school teachers, excluding special education. Better data could lead to more success in recruiting students into these professions, at a time

when teacher shortages continue to increase<sup>1</sup> and education is a foundational public service. A regular inventory at the state level of numbers of teacher vacancies by subject matter is a necessary component for the healthy operation of our public schools. To begin to address these shortages, an apprentice program for teachers was begun and in 2022, 28 K-12 teachers completed the program.

## Regional Industries and Occupations

### West Region

- **Most major indicators** continued to increase (based on place of residence) in the West Region from 2021-2022. Nonfarm employment increased by 0.4 percent compared to the previous year's 2.8 percent, and lower than the state's 1.7 percent. By place of residence, nearly 3,000 jobs were created, about 5 percent of all new jobs in the state. More jobs, proportionately, are in the metro areas. By place of work, employment in the Memphis metropolitan area increased from 2021 to 2022 by 2.9 percent, and Jackson by 1.8 percent. In the West, total payroll increased by 4.4 percent compared to the state's 9.9 percent. Average wages for production workers increased to \$19.92 and the labor force increased by 8,036. Youth unemployment increased from 15.8 percent to 17.1 and is still higher than the state rate of 12.5 percent.
- The **three largest industries** are health care and social assistance, transportation and warehousing, and manufacturing.
- Industries **adding the most jobs** from 2018 to 2022 included transportation and warehousing (over 8,500), health care and social assistance (6,400), and professional, scientific, and technical services (over 2,200).
- The **population** decreased by 3,886 from 2021-2022.
- **Major economic investments** in green energy will provide a boost to employment and skill gains in this region, with the Ford electric vehicle plant planning to provide 3,300 jobs, the SK On electric battery plant 2,500 jobs, and the Magna electric vehicle plant 1,300 jobs. **Jobs most in demand** in the region are listed in the Appendix to the Tennessee's Economy Report 2022-2023.

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<sup>1</sup> Katie Nixon and Nicole Young (January 26, 2022). Staffing shortage closes schools. *Ashland City Times*, p. 1A.

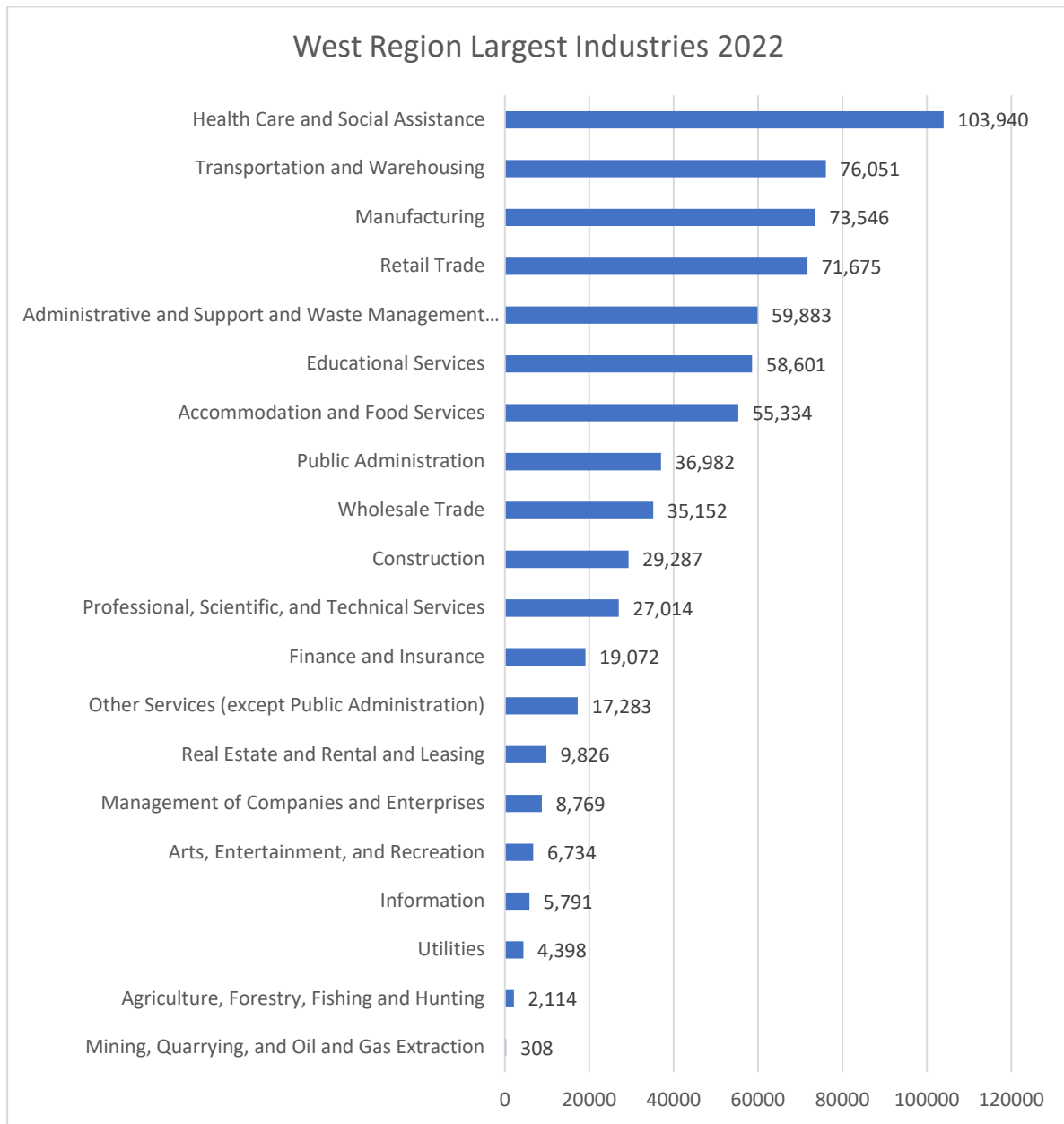


Figure 6

### West TN Industries and Occupations (2018-2022)

Total employment in the West Region in 2022, was 679,312. The five largest industry sectors in 2022 were.

- Health care and social assistance (103,940 jobs)
- Transportation and warehousing (76,051)
- Manufacturing (73,546)
- Retail (71,675)

- Administrative and Support and Waste Management (59,883)

Compared to 2018, the industries adding the most workers include transportation and warehousing (over 8,500 new jobs), health care and social assistance (6,300 new jobs), and construction (over 2,000 new jobs). Some of the region's largest industries lost jobs from 2018 to 2022, including retail trade (nearly 5,000), administrative and support (1,800), and finance and insurance (1,800). In 2021, employment in accommodation and food services was still 13 percent below its employment level in 2018. In 2022, the industry is still 8 percent below its pre-pandemic level, although it seems to be recovering slowly. All industry sectors saw an increase from their pre-pandemic earnings per worker. The largest increases in earnings per worker were in the real estate rental and leasing, other services, and administrative and support and waste management industries. These three industries have seen their earnings per worker increase 30 and 29 percent from the pre-pandemic earnings, respectively. The industries with the highest earnings per worker were management of companies and enterprises, finance, and insurance, and utilities.

### **West Region Occupational Employment**

The transportation and material moving occupational group remains the largest in the West Region, according to the Occupational Employment and Wages Survey for 2022, which provides data on all industries except agriculture and the self-employed (Figure 7). Employment in this group in May 2022 was 105,090, adding more than 13,000 jobs since May 2015. Office and administrative support, sales, and production were next in total numbers of jobs. Over the seven-year period 2015-2022, the occupational groups adding the largest percentage of new jobs were the computer and mathematical, business and finance, and community and social service occupational groups.

Figures 7 and 8 display the largest occupational groups in the West Region and the occupational groups posting the most job openings in 2022.

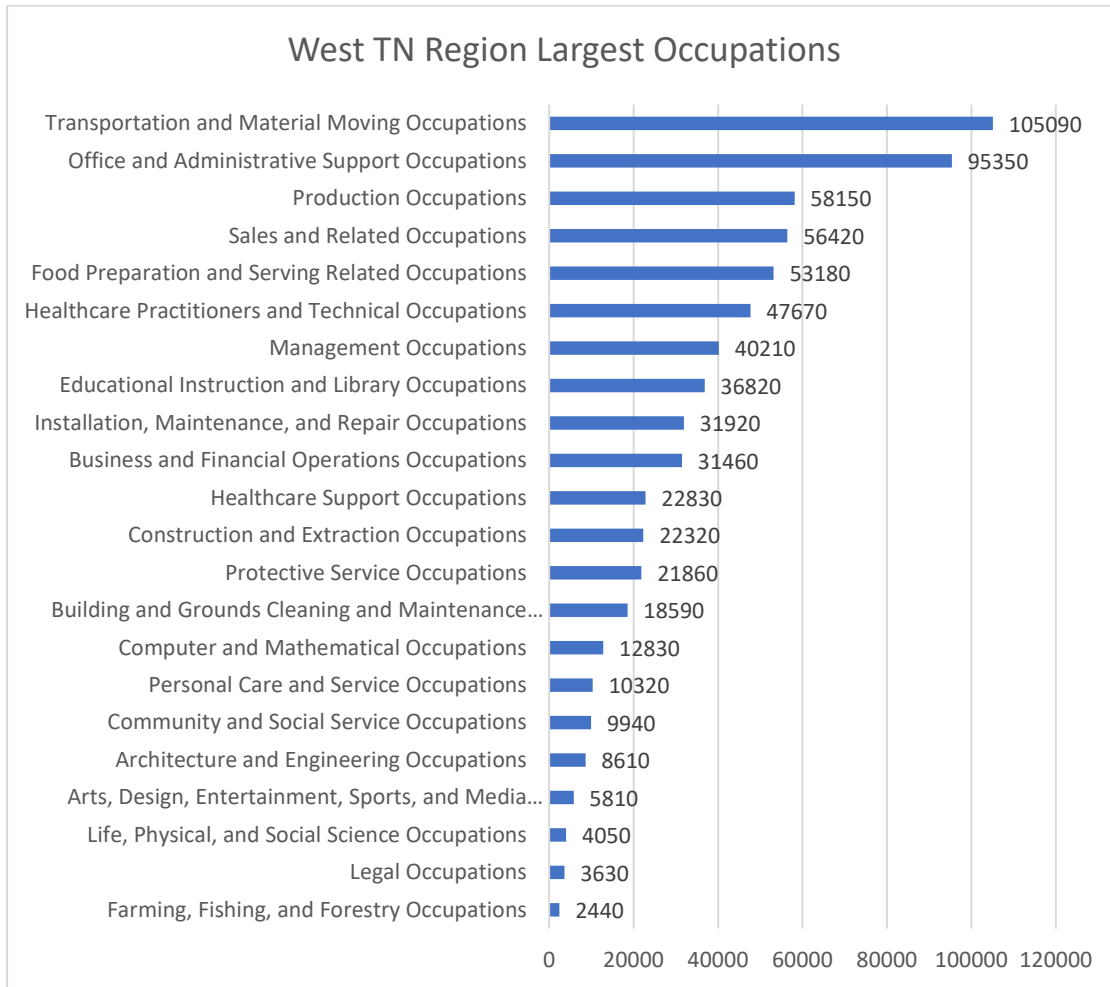


Figure 7

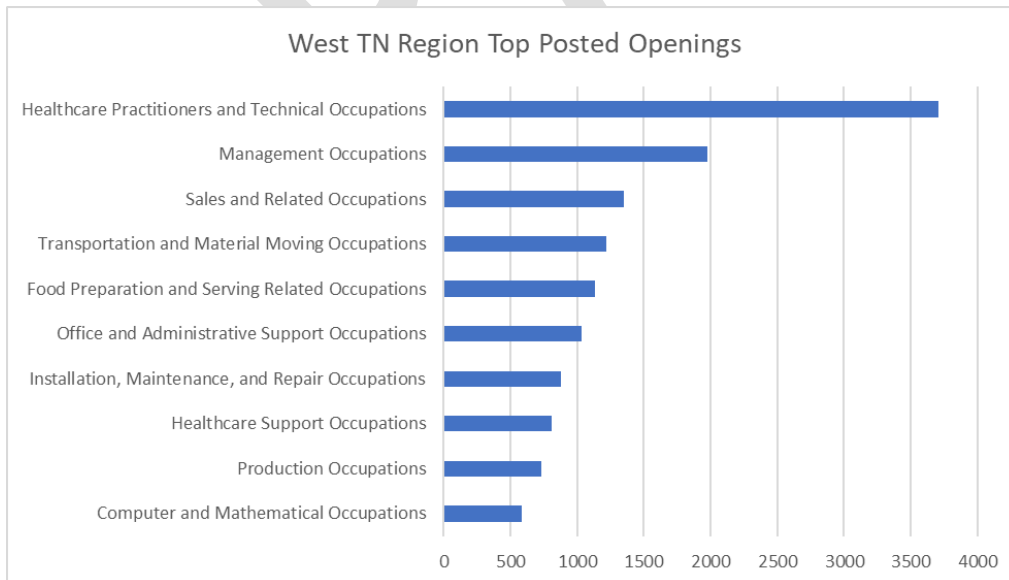


Figure 8

## Middle Region

- **Most major indicators** increased (based on place of residence) from 2021 to 2022, with the Middle Region leading the state with 2.9 percent in employment growth compared to the state's 1.7 percent. By place of residence, 41,000 jobs were created, more than 3 out of 4 new jobs in the state. By place of work, jobs in the major metropolitan area of Clarksville-Hopkinsville, TN-KY-MSA grew 4 percent, and in the Nashville MSA by 6.6 percent. In the region, total payroll increased by 8.8 billion. Average hourly wages for production workers topped \$20.00 in 2022. The labor force increased by 29,787, supporting job expansion. Youth unemployment increased slightly from 2020 to 2021 to 9.89 percent, still lower than the state rate of 10.2 percent.
- The **three largest industries** are healthcare and social assistance, retail trade, and manufacturing, followed by accommodation and food services.
- The **industries adding the most jobs** included transportation and warehousing (20,657), construction (13,705), and professional, scientific, and technical services (13,049).
- **The population** increased by an estimated 53,165 from 2021 to 2022, with more than 36,768 in the Northern Middle Region.

### Middle Region Industries and Occupations

Total employment in the Middle Region in 2022, excluding self-employed and agricultural workers, was 1,461,565. The five largest industry sectors in 2022 were (Figure 9):

- Healthcare and social assistance (178,447)
- Retail Trade (135,359)
- Manufacturing (139,351)
- Accommodation and Food Services (131,314)
- Educational Services (96,674)

Compared to 2018, the industries adding the most new workers included the transportation and warehousing (20,657 new jobs), professional, scientific, and technical (13,049) and construction (13,705) industries. Only one industry, manufacturing, lost jobs from 2018 to 2022 (1,009). With this increase, accommodation and food services reported a growth of 3% since 2018, thus increasing its employment numbers post-pandemic. The most rapid growth was in the information, construction and transportation and warehousing sectors. The industries with the highest earnings per worker were the management of companies and enterprises, finance and insurance, professional, scientific, and technical, and information industries. The lowest earnings per employee were in the accommodation and food services industries.



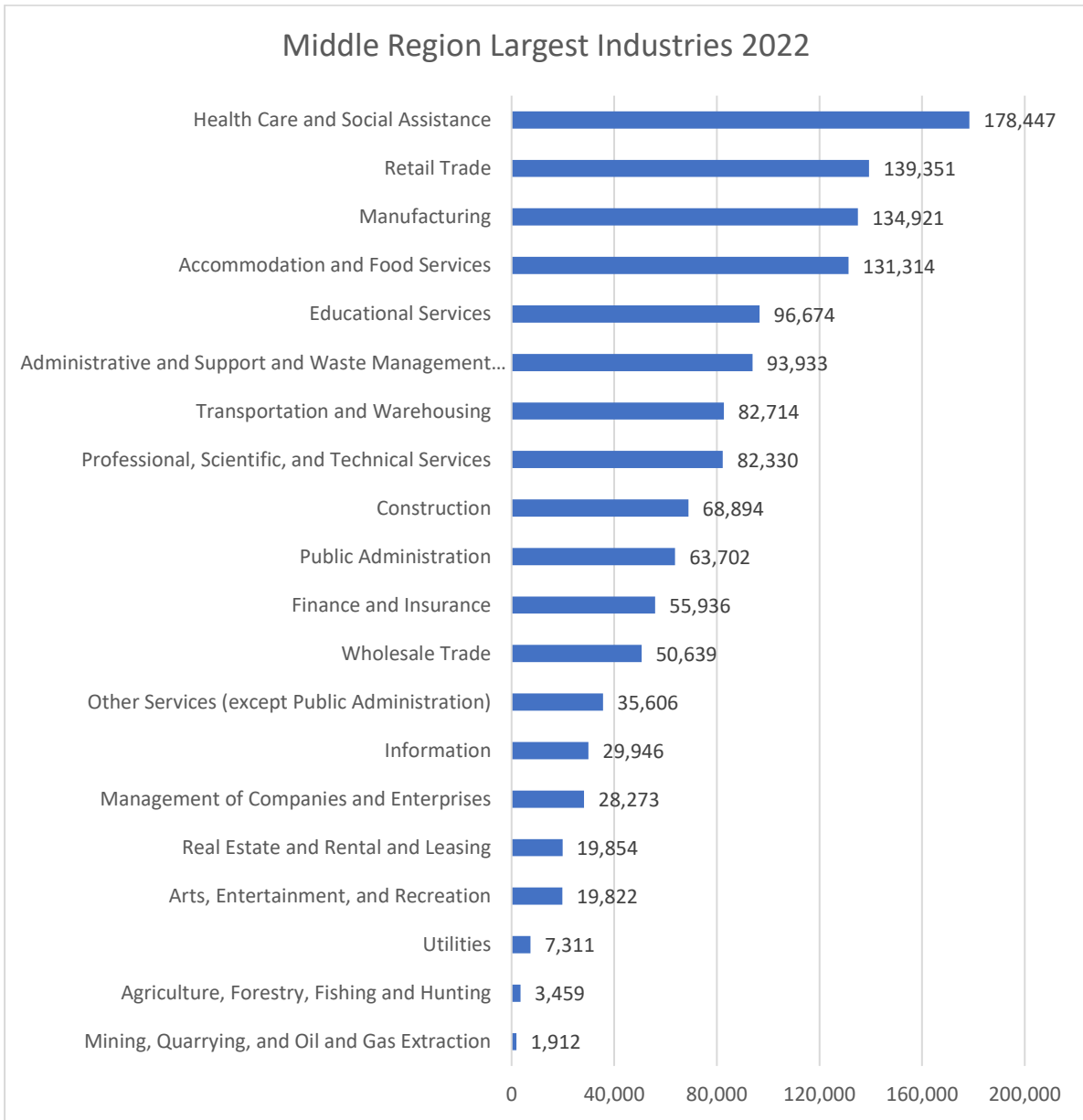


Figure 9

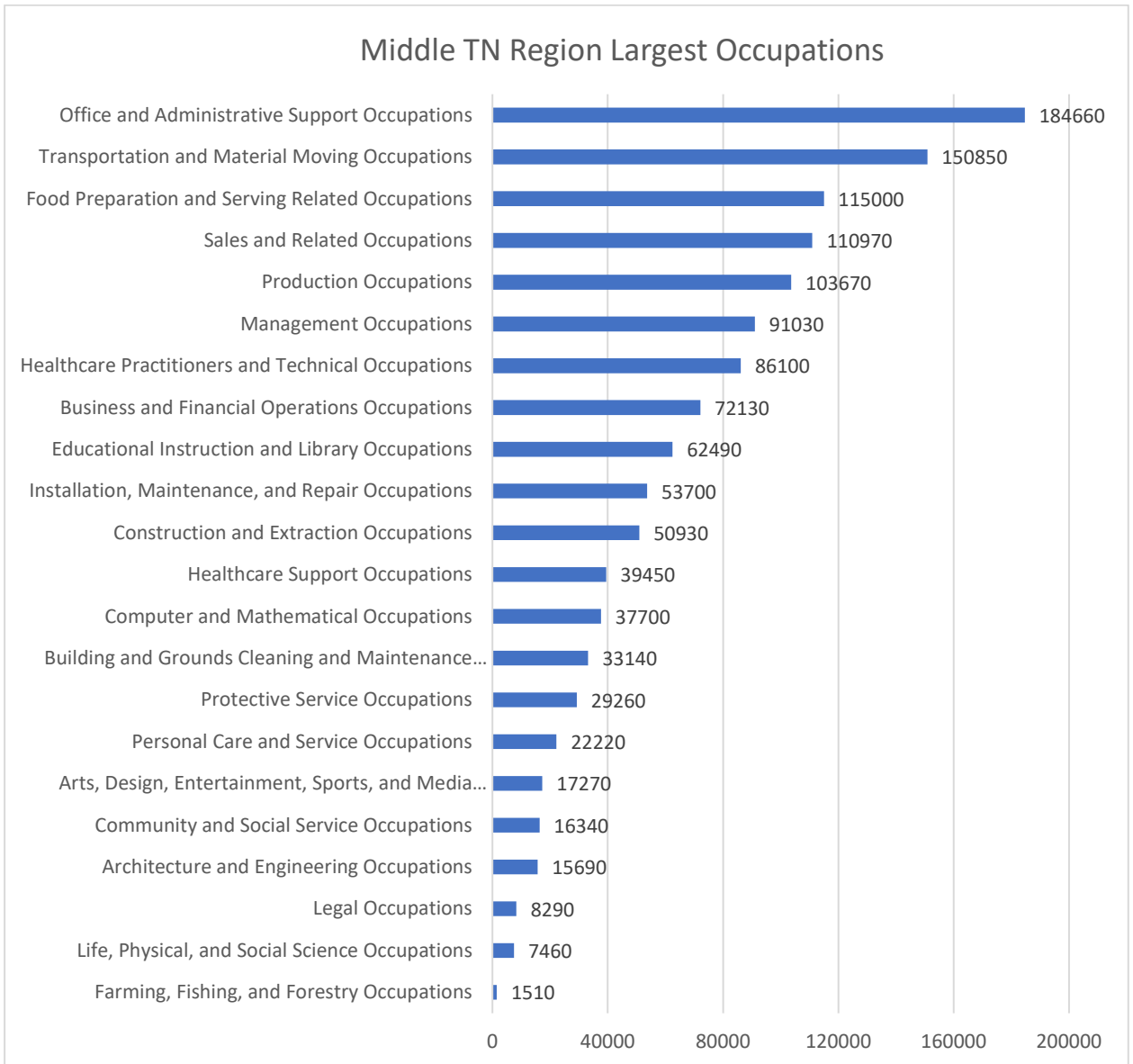
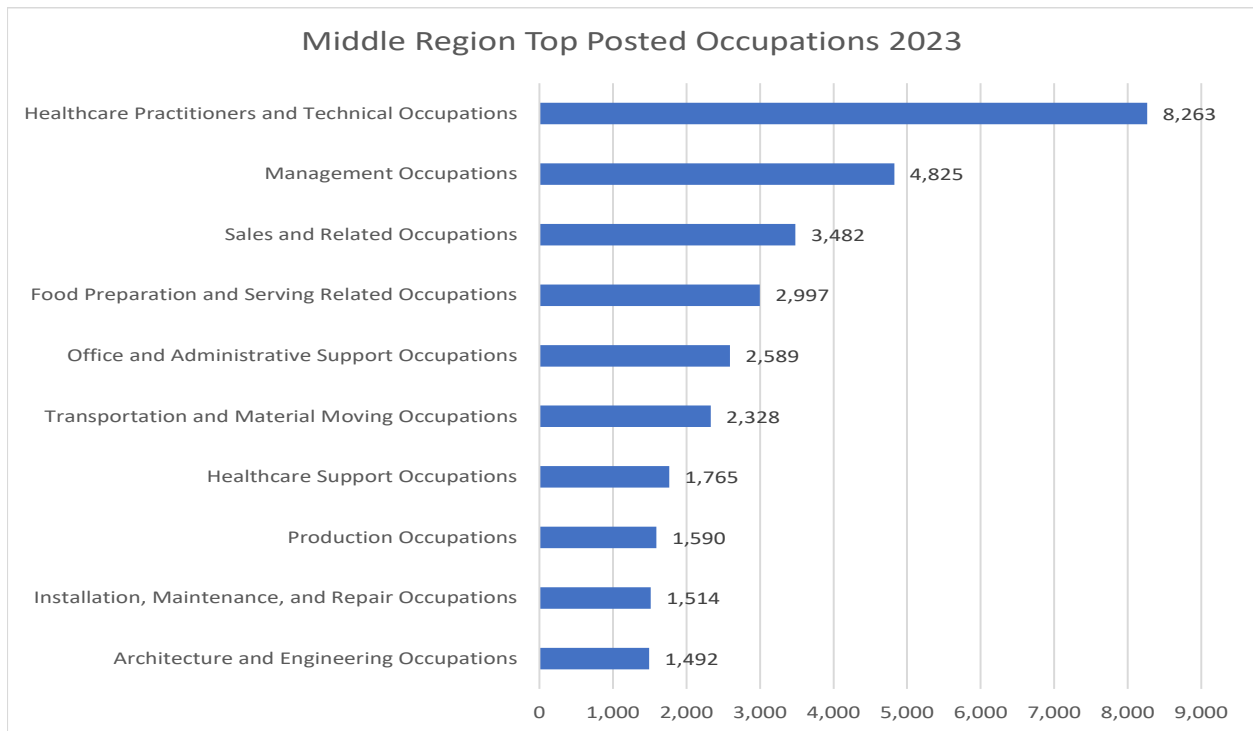


Figure 10

The office and administrative support occupational group remained the largest in the Middle Region, according to the Occupational Employment and Wages Survey for 2022, which provides data on all industries except agriculture and the self-employed (Figure 10). Employment in this group in May 2022 was 184,660; however, it decreased employment by 3% since 2015. The next three largest industries were transportation and material moving, sales and related, and food preparation and serving. Sales and related jobs declined during the pandemic as e-commerce expanded. This group in 2022 has recovered and has employment at about the same level as in 2015.



Source: jobs4tn.gov Online Advertised Jobs, June 2023

Figure 11

### East Region

- **Most major indicators increased** (based on place of residence) from 2021 to 2022, with East Region employment growing at nearly 1 percent compared to the state's 1.7 percent. By place of residence, nearly 10,000 jobs were created, nearly one of every five jobs created in the state. By place of work, jobs in the major metropolitan area of Knoxville grew by 4.6 percent and in the Chattanooga MSA, by 4 percent. In the region, total payroll increased by 4.9 billion. Average hourly wages for production workers topped \$20.00 in 2022. The labor force increased by nearly 4,500 workers, supporting modest job expansion. Youth unemployment was slightly lower from 2020 to 2021 at 10.6 percent.
- The **three largest industries** are manufacturing, healthcare and social assistance, and retail trade, followed by accommodation and food services.
- **Industries adding the most jobs** from 2018 to 2022 were manufacturing; professional, scientific, and technical services; and transportation and warehousing.
- **The population** in the region increased by 33,989 from 2021 to 2022; all LWDA had increases.

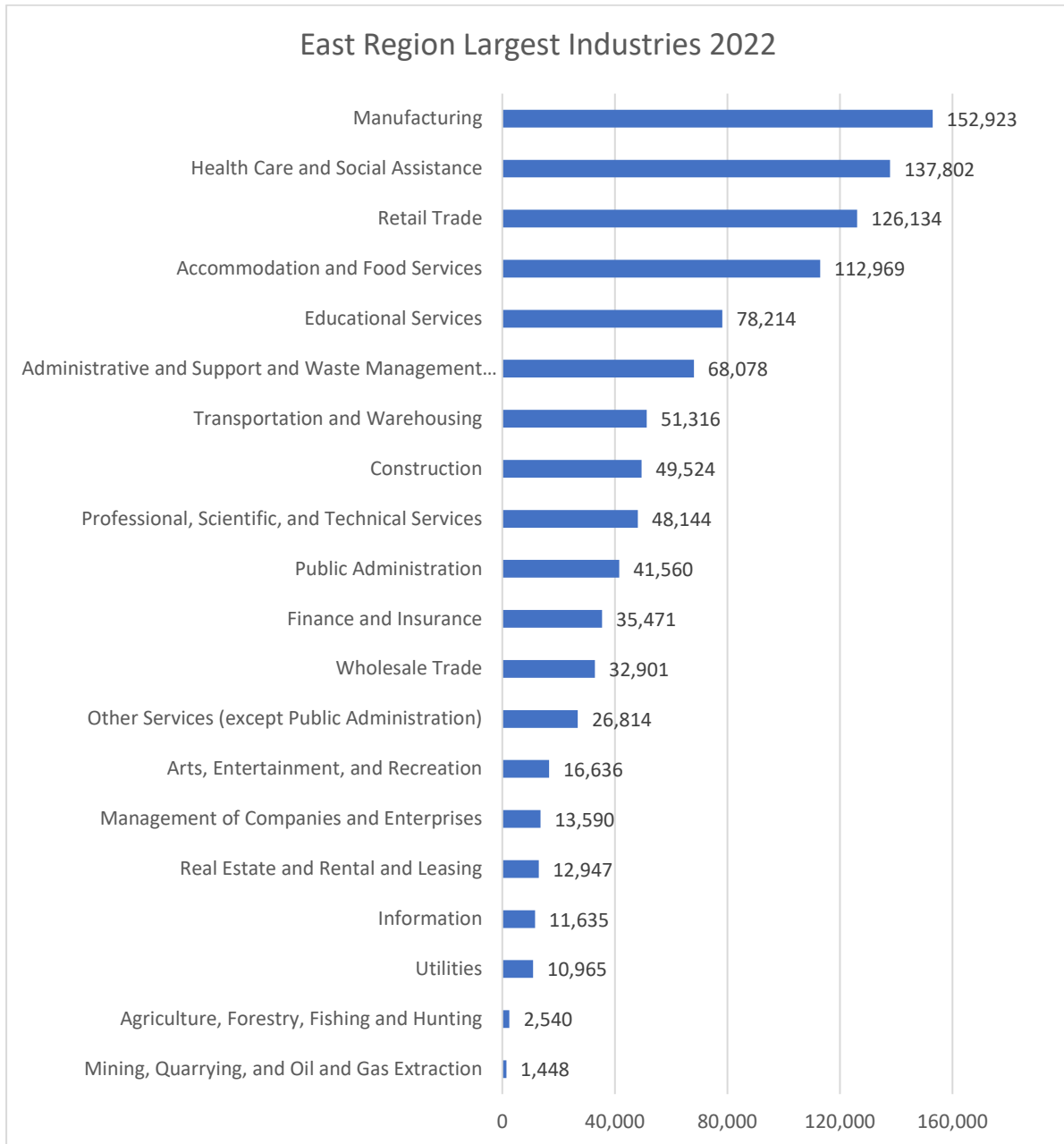


Figure 12

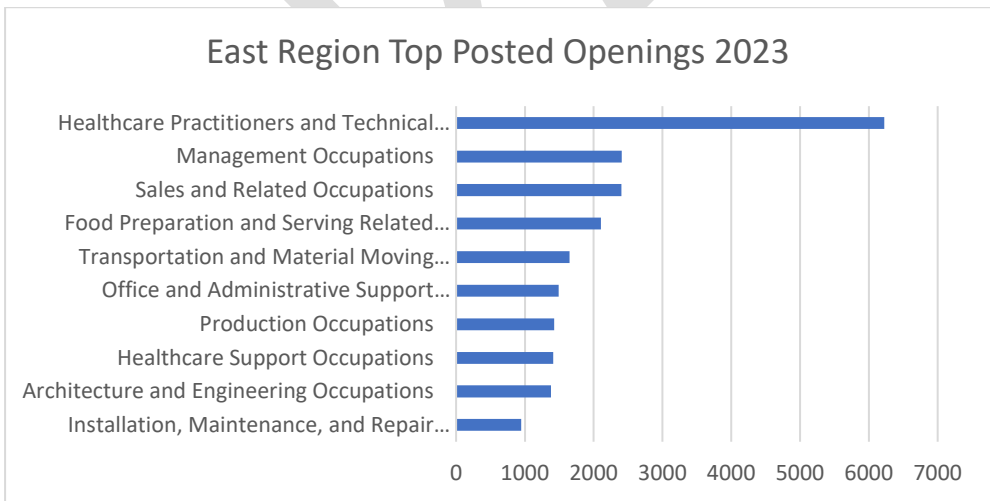
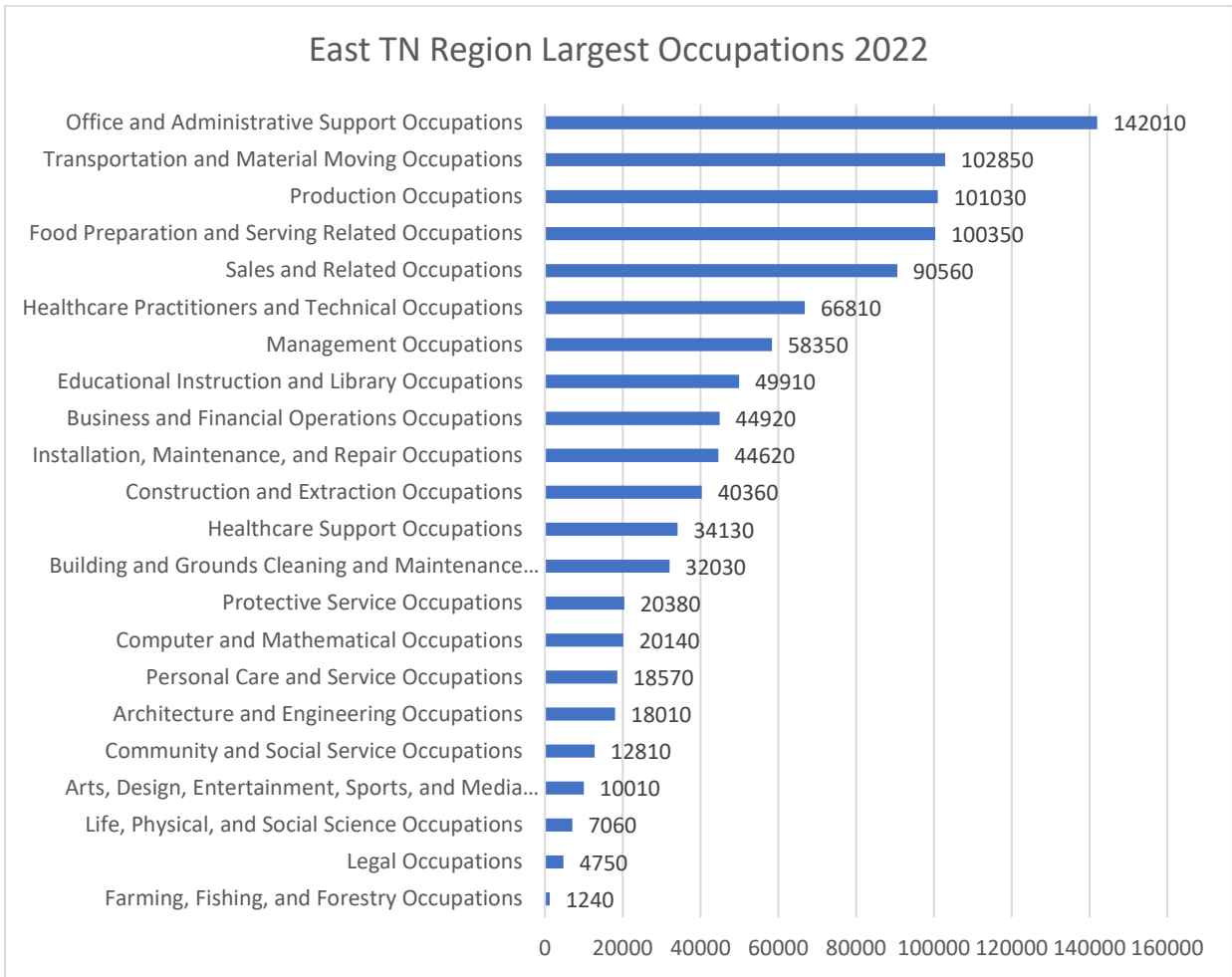
**East TN Industries and Occupations (2018-2022)**

Total employment in the East Region in 2022, excluding self- employed and agricultural workers, was 1,097,671. The five largest industry sectors in 2022 were:

- Manufacturing (152,923)
- Health care and social assistance (137,802)
- Retail (126,134)
- Accommodation and food services (112,969)
- Educational services (78,214) (Figure 12)

Compared to 2018, the industries adding the most workers included the manufacturing (10,556), professional, scientific, and technical (7,641), and transportation and warehousing (5,203) industries. One of the largest industries, Healthcare and Social Assistance, has yet to regain its pre-pandemic level of employment. Despite showing negative growth from previously, accommodation and food services and educational services have reported growth in their industries surpassing 2018 levels. All except one industry sector increased its earnings per worker (total LWDA payroll divided by the average number of workers). The largest increases were in the accommodation and food services, administration and support, and real estate and rental and leasing. The industries with the highest earnings per worker were the management of companies and enterprises, utilities, and professional, scientific, and technical industries. The lowest earnings per worker were in the accommodations and food services industry.

The office and administrative support occupational group remains the largest in the East Region, according to the Occupational Employment and Wages Survey for 2022, which provides data on all industries except agriculture and the self-employed. Employment in this group in May 2022 was 142,0410; however, it decreased by 10% between 2015 and 2022. Transportation and material moving, production, and food preparation and serving were next largest in total numbers of jobs. Occupational groups which added the most jobs from 2015 to 2022 included transportation and material moving, business and finance, construction and extraction, and production. Office and administrative support, sales and related, and personal care and service occupations lost the most jobs over the seven- year period. Other than management, the occupational groups with the highest median earnings included architecture and engineering, computer and mathematical, life, physical and social science, and legal occupations. These earnings results show the importance of STEM education and training in achieving higher earnings.



**Occupational Demand by Region:** The appendix to *Tennessee's Economy 2022-2023*  
<https://www.tn.gov/content/dam/tn/workforce/documents/majorpublications/reports-02/Part-5-Tennessee-Economy-2022-2023.pdf> (p.80)

lists by East, Middle, and West Region occupations in demand alphabetically by job title. This list was developed by a collaboration of the Tennessee Departments of Labor and Workforce

Development, Education, Economic and Community Development, and the Tennessee Higher Education Commission. The criteria for developing this list can be found in the related publication *Improving the Pipeline for Tennessee's Workforce* (March 2023)

<https://www.tn.gov/content/tn/thec/research/supply-and-demand.html>.

## **A (ii) Emerging Demand Sector Industries and Occupations**

**Emerging Industries and Occupations:** Within each of the major industries, emerging industries were identified- those expected to have the highest growth rates between now and 2030. In the information industry, software publishers are expected to have the highest growth. Within health care and social assistance, residential facilities for substance abuse, mental health, and intellectual disability have the greatest growth rate as funds for treatment are increasing; with an aging population, more assisted living facilities are being developed. Manufacturing is forecast to have the highest growth in the electric vehicle and battery manufacturing industries. Some of the occupations expected to be in demand include electrical and electronics engineering technicians and technologists, electro-mechanical and mechatronics technicians and technologists, chemists, industrial and other engineers, and electricians, among others. In construction, nonresidential building structures include hotels, medical facilities, and manufacturing plants, among others. From 2015 to 2023, investment and employment in electric vehicles, electric vehicle battery employment, and battery components have boomed in the U.S., with announced investments of \$120.1 billion and 143,000 jobs. Tennessee, as one of the top 10 states, is the recipient of \$16.6 billion in announced investments, expected to create 18,300 jobs.<sup>2</sup> These and other clean tech investments will create jobs for electricians, mechanics, construction workers, technicians, support staff, engineers, chemists, and related jobs.

Many grants being awarded are now specifying that plans for workforce development in emerging and traditional occupations be included in grant applications,<sup>3</sup> with an emphasis on quality jobs and increasing equity in employment, encouraged by the U.S. Department of Labor.<sup>4</sup> In a recent national survey, four of five employers in energy technologies industries reported “some difficulty” in finding qualified workers.

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<sup>2</sup>Environmental Defense Fund, March 2023. US Electric Vehicle Manufacturing Investments and Jobs, p. 3. [State-Electric-Vehicle-Policy-Landscape.pdf](#)

<sup>3</sup> Kery Murakami (February 28, 2023). Feds to hand out \$39B to chip makers in workforce development subsidies. *Route Fifty* [Feds to Hand Out \\$39B to Chip Makers in Workforce Development Subsidies - Route Fifty \(route-fifty.com\)](#)

<sup>4</sup> Employment and Training Advisory System, U.S. Department of Labor, Washington, D.C. January 18, 2023. Training and Employment Guidance Letter No. 07-22. <https://www.dol.gov/agencies/eta/advisories/tegl-07-22>

**Occupational Shortages:** The Tennessee Hospital Association released a report in October 2022<sup>5</sup> stating that the changing demographics of the population in Tennessee will not only increase the demand for health care, but also make it more difficult to recruit and retain enough health care workers to meet the demand. While they project overall population growth will be 9.7 percent during that time, the population of 65- to-74-year-olds will increase by 13.3 percent and those 75 and older by 54.1 percent. They report current shortages include registered nurses, respiratory therapists, medical laboratory technologists and technicians, and emergency medical technicians. The number of social workers being trained is adequate, but low pay is creating problems with retention.

The significant occupational shortages section of this report lists occupations at every level- high school, postsecondary training from certificate to associate's degree, and bachelor's degree occupations for which large gaps exist between the number of job openings listed on jobs4tn and the number of resumes currently in the system. In addition, the media and school districts report many unfilled positions for elementary and secondary teachers for which accurate numbers are not available.

The appendix to Tennessee's Economy 2022-2023 lists by East, Middle, and West Region occupations in demand alphabetically by job title. This list was developed by a collaboration of the Tennessee Departments of Labor and Workforce Development, Education, Economic and Community Development, and the Tennessee Higher Education Commission. The criteria for developing this list can be found in the related publication *Improving the Pipeline for Tennessee's Workforce* (March 2023) <https://www.tn.gov/content/tn/thec/research/supply-and-demand.html>.

With Tennessee's growth comes the challenge of filling the current and emerging gaps in its workforce.

### **West Region**

**Major economic investments** in green energy will provide a boost to employment and skill gains in this region, with the Ford electric vehicle plant planning to provide 3,300 jobs, the SK On electric battery plant 2,500 jobs, and the Magna electric vehicle plant 1,300 jobs. **Jobs most in demand** in the region are listed in the Appendix.

### **Middle Region**

**Major economic investments:** Major investments **include** green energy investments of lithium-ion battery manufacturing (Ultium LLC), 1300 jobs; medical products manufacturing by the Puritan and Life Technologies, 632 and 1400 jobs, respectively; warehouse distribution centers-Amazon (500 jobs) and Chewy (1,200 jobs), Oracle (software development) (8,500 jobs), and Southwest Airlines (1,300 jobs). Electric vehicle

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<sup>5</sup> Tennessee Hospital Association (October 2022). *Health Workforce Projections 2021-2035*.

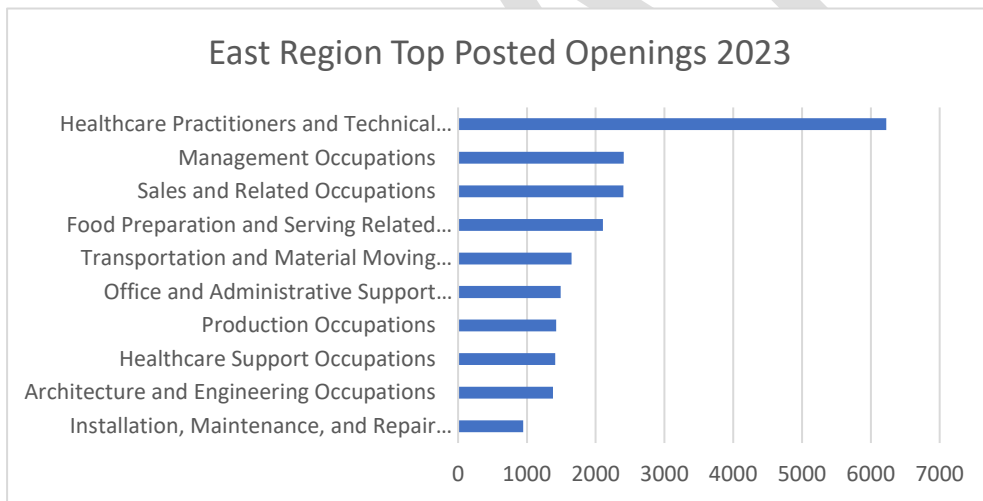


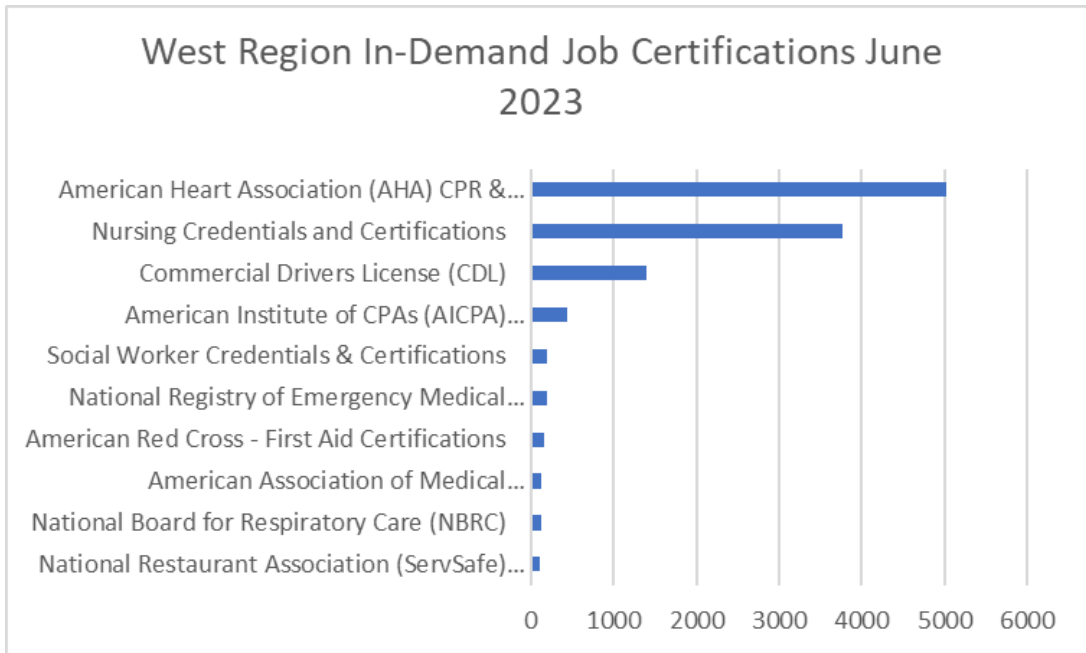
production is expanding, as are outpatient medical facilities. **Jobs most in demand** in the region are listed in the Appendix.

### East Region

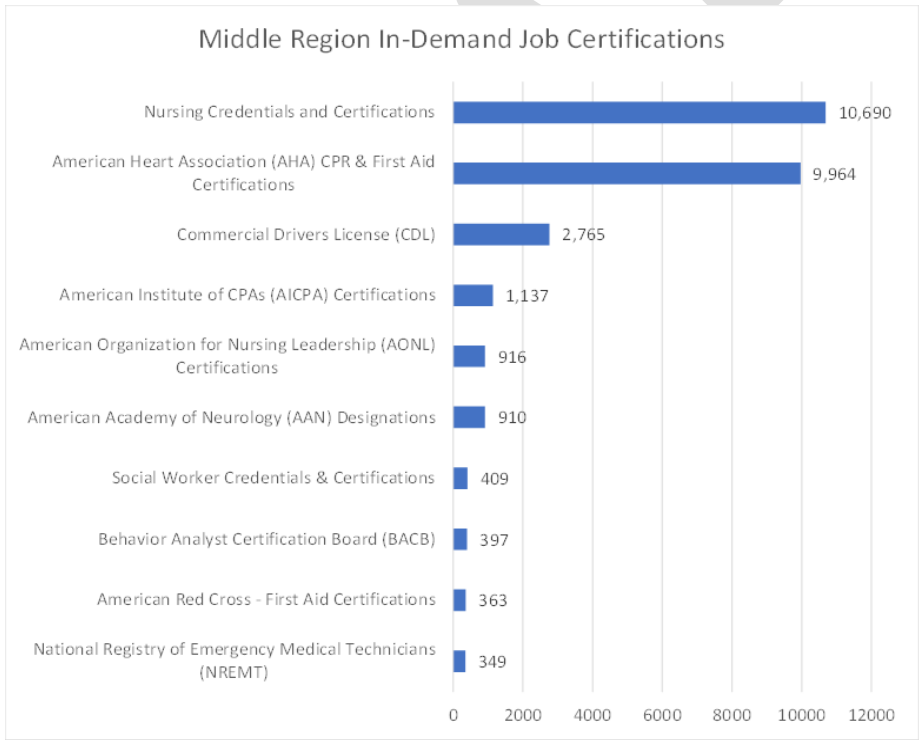
**Major economic investments:** Selected investments included continued expansion of the Volkswagen plant in the Chattanooga area as electric vehicle production was added; Smith and Wesson firearms manufacturing (750 jobs); and an Amazon distribution center (800 jobs). **Jobs most in demand in the region** are listed in the Appendix.

A (iii) **Employers' Employment Needs:** The TDLWD jobs4tn.gov web site tracks the top in-demand job certifications and tools and technologies from its advertised jobs database, updated every day. The tables below show the most requested certifications, including CPR, nursing credentials, and commercial driver license certifications for the three regions. For June 2023, among the most requested certifications included CPR and nursing certifications, commercial drivers' licenses, CPAs, EMT certifications, social work credentials, pharmacy technician certification, and medical assistants, the majority of which require medical knowledge and several patient care skills.

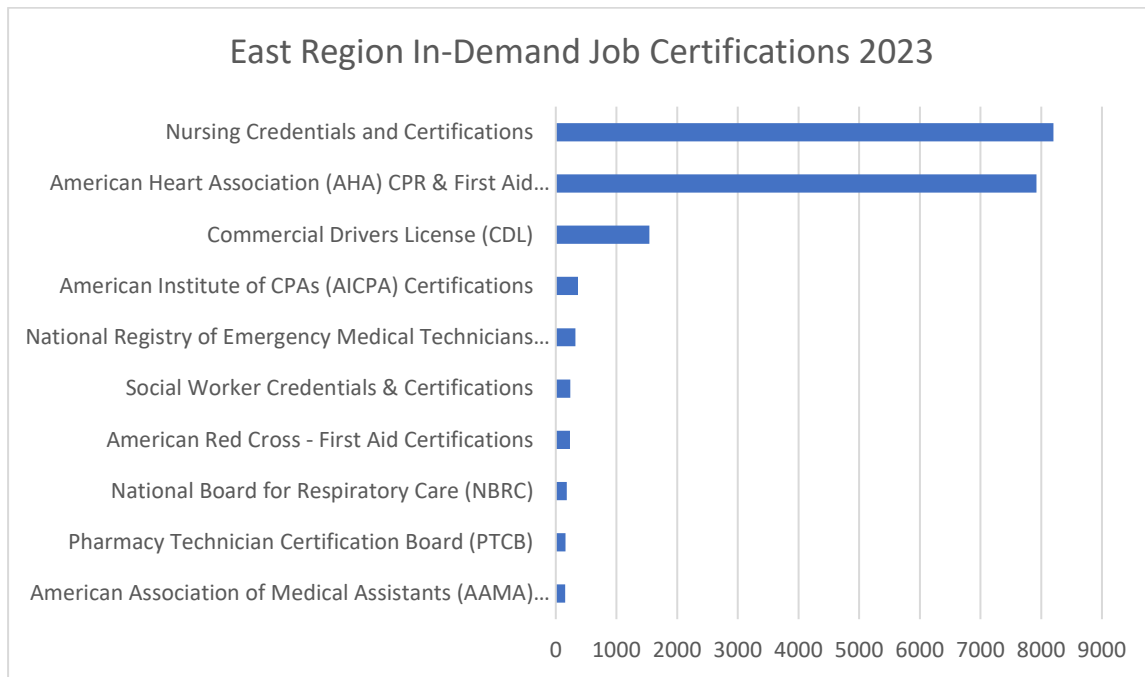




Source: jobs4tn.gov Online Advertised Jobs, July 2023



Source: jobs4tn.gov Online Advertised Jobs, June 2023



Reviewing the three tables with the top shortage occupations for Tennessee, at least six of the 15 require postsecondary training in addition to a license, including RN,LPN, CDL, radiologic technologists, respiratory therapists, and cosmetologists. Scientific/medical knowledge is required for 9 of these occupations. Several others, including HVAC mechanics/installers, tractor trailer truck drivers and auto mechanics, require technical knowledge and certifications. Of the high demand high schools programs listed commercial pilots require a federal license; detectives have state licensing requirements. Several require supervisory skills. Of the bachelor's degree occupations in demand, besides requiring at least completion of a four- year degree, several require licensing (mechanical, industrial, civil, and electrical engineers); others require management, programming, and/or financial skills. Given the level of skills and knowledge required by employers, postsecondary education and attainment of a credential improves opportunity for those entering or re-entering the workforce.

## B. STATE STRATEGIC VISION AND GOALS

The Unified or Combined State Plan must include the State's strategic vision and goals for developing its workforce and meeting employer needs in order to support economic growth and economic self-sufficiency. This must include—

### 1. VISION

Describe the State's strategic vision for its workforce development system.

### 2. GOALS

Describe the goals for achieving this vision based on the analysis in (a) above of the State's economic conditions, workforce, and workforce development activities. This must include—

(A) Goals for preparing an educated and skilled workforce, including preparing youth and individuals with barriers to employment<sup>8</sup> and other populations.<sup>9</sup>

(B) Goals for meeting the skilled workforce needs of employers.

[1] Individuals with barriers to employment include displaced homemakers; low-income individuals; Indians, Alaska Natives, and Native Hawaiians; individuals with disabilities, including youth who are individuals with disabilities; older individuals; ex-offenders; homeless individuals, or homeless children and youths; youth who are in or have aged out of the foster care system; individuals who are English language learners, individuals who have low levels of literacy, and individuals facing substantial cultural barriers; eligible migrant and seasonal farmworkers (as defined at section 167(i) of WIOA and Training and Employment Guidance Letter No. 35-14); individuals within 2 years of exhausting lifetime eligibility under the Temporary Assistance for Needy Families Program; single parents (including single pregnant women); and long-term unemployed individuals.

[2] Veterans, unemployed workers, and youth and any other populations identified by the State.

### 3. PERFORMANCE GOALS

Using the tables provided within each Core Program section, include the State's expected levels of performance relating to the performance accountability measures based on primary indicators of performance described in section 116(b)(2)(A) of WIOA. (This Strategic Planning element only applies to core programs.)

### 4. ASSESSMENT

Describe how the State will assess the overall effectiveness of the workforce development system in the State in relation to the strategic vision and goals stated above in sections (b)(1), (2), and (3) and how it will use the results of this assessment and other feedback to make continuous or quality improvements.

#### 1. Vision

Execution of a comprehensive and cohesive workforce development strategy must account for the inherent interdependency through a formalized strategy of shared projects, shared processes, and shared metrics under centralized leadership and/or consolidation of functions. As a result, the

Tennessee Workforce Development System (TNWDS) Steering Team has been formed. The team is a highly interdependent and disparate network of state agencies and state organizations [Tennessee Board of Regents (TBR), Tennessee Higher Education Commission (THEC), Tennessee Department of Economic & Community Development (TNECD), Tennessee Department of Corrections (TDOC), Tennessee Department of Human Services (DHS), Tennessee Department of Education (DOE), Tennessee Department of Labor & Workforce Development (TLWD), and others].

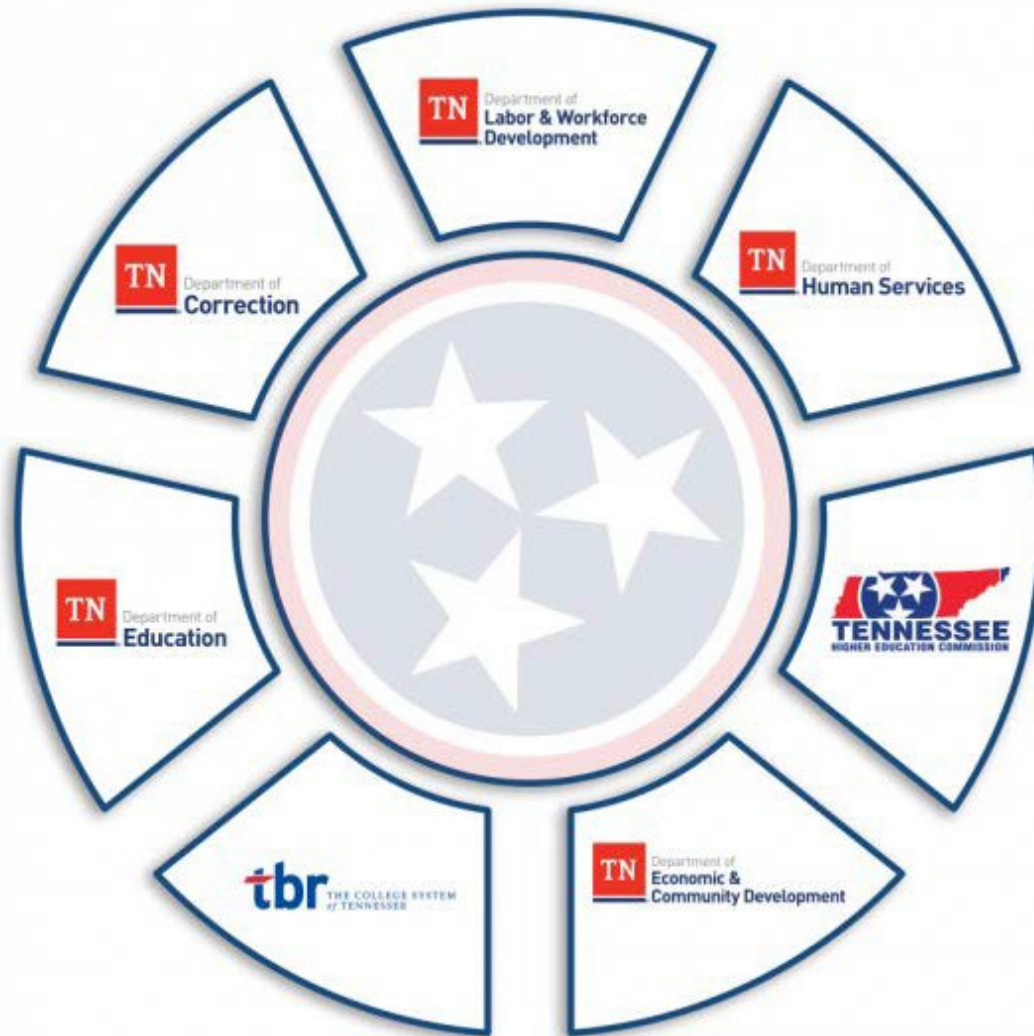


Figure 1: The Tennessee Workforce Development System

Guided by the directives of the State Workforce Development Board, as articulated in their recommendations to Governor Bill Lee, the Tennessee Department of Labor & Workforce Development has been tasked with formulating a comprehensive State plan. This plan aims to seamlessly unify the service delivery of all programs, with the overarching objective of enhancing positive outcomes for the residents of Tennessee who engage with our programs. The central focus of this initiative is to optimize co-enrollment opportunities, establish novel intake and referral processes across programs, and create a reporting system that facilitates more thorough analysis of performance and outcomes.

Aligned with the strategy of fostering tighter integration among programs, the State has initiated a Key Performance Indicator initiative. This initiative furnishes performance and planning resources to the Local Workforce Development Areas (LWDA) across all major programs. The ongoing progress has empowered LWDA to visualize opportunities for enhancing the performance of all programs and conceptualize strategies to maximize co-enrollment.

Operating within the framework delineated for the TNWDS, the primary objective is to activate various programs in a more intentional and integrated manner. This approach is designed to align with the state's vision of implementing a multi-agency strategy that better serves the residents of Tennessee. Consequently, the integration of all workforce programs into the TNWDS supports the State Workforce Board's vision to boost participation and performance in a more cohesive manner.

The evolving progress underscores the efficacy of a multi-agency strategy coupled with an emphasis on streamlined program integration. The Re-Employment strategy for TNWDS has provided a platform for Title I, Title II, Title III, and Title IV programs to collaboratively develop new procedures, incorporating resources from higher education and other public programs.

The ultimate vision is to enhance the performance of each program individually by collectively augmenting service capacity through an integrated approach. The execution of department-wide strategic initiatives and goals outlined in this section supports integrated service delivery for both job seekers and employers, in line with the overarching vision.

## **2. Goals**

Within the framework established for the Tennessee Workforce Development System (TNWDS), the underlying goal centers on activating the various programs in more intentional and integrated ways to support the state's vision to bring forward a multi-agency strategy to better serve Tennesseans. In turn, the opportunity to integrate all workforce programs into the TNWDS supports the vision of the State Workforce Board to increase participation and performance in a more integrated manner.

The progress thus far has highlighted how a multi-agency strategy, combined with a value for streamlined program integration, can produce new levels of effectiveness and efficiency. The Re-Employment strategy for TNWDS has provided a space for Title I, Title II, Title III, and Title IV programs to begin crafting new procedures, that also incorporate resources from higher education and other public programs.

Above and beyond the performance goals required under WIOA, TDLWD has developed a four-year roadmap for us to travel Tennessee engaging, employing, and enhancing how we provide meaningful and safe employment to all Tennesseans and a skilled and qualified workforce for our employees. There are several strategic and operational goals the department has identified, however, for the purpose of achieving the vision based on the workforce and the State's economic conditions, workforce, and workforce development activities, only 5 will be mentioned in this plan.

Goal 1: Increase/Sustain Competitive Labor Force Participation Rate

Goal 2: Expand Data Research and Analytics

Goal 3: Implement an Agency-Wide Business Engagement Plan

Goal 4: Superior Service Delivery Across the Public Workforce System

Goal 5: Revisioning Unemployment Insurance

### 3. Performance Goals

**Table 16: TN Core Program: Title I – Adult Program**

TN Core Program: Title I – Adult Program	Program Year 2024		Program Year 2025	
	Expected Level	Negotiated Level	Expected Level	Negotiated Level
Employment (Second Quarter after Exit)	83.45%		83.95%	
Employment (Fourth Quarter after Exit)	82.00%		82.50%	
Median Earnings (Second Quarter after Exit)	\$7,800		\$7,850	
Credential Attainment Rate	72.40%		72.90%	
Measurable Skill Gains	72.35%		72.85%	

**Table 17: TN Core Program: Title I – Dislocated Worker Program**

TN Core Program: Title I – Dislocated Worker Program	Program Year 2024		Program Year 2025	
	Expected Level	Negotiated Level	Expected Level	Negotiated Level
Employment (Second Quarter after Exit)	84.30%		84.80%	
Employment (Fourth Quarter after Exit)	83.35%		83.85%	
Median Earnings (Second Quarter after Exit)	\$8,699		\$8,749	
Credential Attainment Rate	69.90%		70.40%	
Measurable Skill Gains	73.95%		74.45%	

**Table 18: TN Core Program: Title I – Youth Program**

TN Core Program: Title I – Youth Program	Program Year 2024		Program Year 2025	
	Expected Level	Negotiated Level	Expected Level	Negotiated Level
Employment (Second Quarter after Exit)	82.55%		83.05%	
Employment (Fourth Quarter after Exit)	80.15%		80.65%	
Median Earnings (Second Quarter after Exit)	\$5,234		\$5,284	
Credential Attainment Rate	64.50%		65.00%	
Measurable Skill Gains	60.30%		60.80%	

**Table 19: TN Core Program: Title II – Adult Education and Family Literacy Act Program**

TN Core Program: Title II – Adult Education and Family Literacy Act Program	PY 2024 Expected Level	PY 2025 Expected Level	PY 2026 Expected Level	PY 2027 Expected Level
Employment (Second Quarter After Exit)	50.0%	50.5%	51.0%	51.5%
Employment (Fourth Quarter After Exit)	50.0%	50.5%	51.0%	51.5%
Median Earnings (Second Quarter After Exit)	\$3,950	\$4,000	\$4,050	\$4,100
Credential Attainment Rate	42.0%	42.5%	43.0%	43.5%
Measurable Skill Gains	40.5%	41.0%	41.5%	42%
Effectiveness in Serving Employers	Not Applicable <sup>1</sup>	Not Applicable <sup>1</sup>	Not Applicable <sup>1</sup>	Not Applicable <sup>1</sup>



**Table 20: TN Core Program: Wagner-Peyser Act Employment Service Program**

TN Core Program: Wagner-Peyser Act Employment Service Program	Program Year 2020		Program Year 2021	
	Expected Level	Negotiated Level	Expected Level	Negotiated Level
Employment (Second Quarter after Exit)	84.30%		84.80%	
Employment (Fourth Quarter after Exit)	83.35%		83.85%	
Median Earnings (Second Quarter after Exit)	\$8,699		\$8,749	
Credential Attainment Rate	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Measurable Skill Gains	Not Applicable	Not Applicable	Not Applicable	Not Applicable

**Table 21: TN Core Program: Vocational Rehabilitation Program**

TN Core Program: Vocational Rehabilitation Program	Program Year 2020		Program Year 2021	
	Expected Level	Negotiated Level	Expected Level	Negotiated Level
Employment (Second Quarter after Exit)	Baseline	Baseline	Baseline	Baseline
Employment (Fourth Quarter after Exit)	Baseline	Baseline	Baseline	Baseline
Median Earnings (Second Quarter after Exit)	Baseline	Baseline	Baseline	Baseline
Credential Attainment Rate	Baseline	Baseline	Baseline	Baseline
Measurable Skill Gains	20.0%	23.0%	25.0%	26.0%

#### 4. Assessment

Since 2018 State Plan Modifications, the State conducted an assessment in 2019 on the overall effectiveness of the workforce development system by utilizing a third-party contractor. This entity completed the statewide evaluation of the workforce system organizational structure, and also the operating model's ability to support efficient processes and internal controls. The assessment encompassed 1) highlighted strengths and weaknesses of the current organization structure; 2) review of roles and responsibilities for proper role alignment; 3) provided recommendations regarding operational policies and procedures; 4) assessment of current risk/control/performance monitoring capabilities with areas of improvement identified; 5) review of internal control design and assessment of operating effectiveness of key controls; and 6) review of current data entry and reporting process to identify opportunities to implement automation. Observations and recommendations were made regarding the above referenced processes and internal controls for all nine Local Workforce Development Areas (LWDAs), as well for the state.

TDLWD in partnership with a third-party contractor completed an assessment of the American Job Centers and Adult Education programs in Q1 2024. The evaluation focused on the workforce system and supporting infrastructure to better understand the operations of the department that support AJC service delivery and Adult Education to help improve the customer experience and identify possible strategies to strengthen the implementation of reforms introduced by WIOA. To complete the evaluation, we conducted a concise review of the customer experience (of both employer and job seeker customers) in the TN workforce system infrastructure through online surveys of staff and managers and by conducting mystery shopper visits to selected sites. Additionally, we assessed the services provided through local AJCs and the Adult Education program to identify gaps in services and populations served. This was achieved by analyzing program-level data and conducting online focus groups with AJC and Adult Education staff and managers as well as state employers. Using the information from these efforts, the executive leadership team is evaluating a proposed communication and outreach strategy to reach key audiences and move them to action.

TDLWD leadership is still reviewing the report findings and determining what recommendations will be implemented across the AJCs and AE programs.

##### *Assessment of The Tennessee Workforce Development System*

*The assessment framework for the overall effectiveness for the Tennessee Workforce Development System centers on a series of project charters. These project charters focus on the various aspects of workforce development that symbolize the necessary elements of a high-performing workforce system, such as work-based learning strategies, transition supports for exiting Veterans, and re-employment programming. The milestones and outcomes for the different project charters were due on March 19, 2020. Upon submission, state leadership will review and schedule formal presentations to approval all plans. The interruptions caused by the COVID-19 Pandemic have delayed the review process for all the project charters designated for the TNWDS. Thus, progress has been delayed until further notice.*

The Tennessee Department Human Services (TDHS) - Vocational Rehabilitation (VR) Services

Program has identified Data Driven Services and Outcomes as one of the priorities in their division's 2019-2023 Strategic Plan. The goal of this priority is to achieve improved employment outcomes for people with disabilities through data driven rehabilitation services and employment initiatives. The Division of Rehabilitation Services (DRS) is working to enhance the capacity of staff to use and analyze data to inform and improve practices and outcomes, advance the integration of data systems with other resources as appropriate to facilitate innovative service delivery and collaboration, and to share program data and outcomes with stakeholders to create an environment that promotes continuous quality improvement.

### **Adult Education**

*TDLWD will conduct monitoring and evaluation activities of local adult education providers as outlined in later sections. The monitoring and evaluation activities will analyze the adult basic education, ESL/IELCE activities, corrections education, pre-apprenticeship activities, and integrated education and training activities. A crucial part of this plan is the regular analyses of performance data that will be conducted to evaluate the quality of the program. To ensure departmental capacity to handle this responsibility, TDLWD has recently created and filled a new staff position within the Adult Education Division: a systems & analytics specialist. The specialist works to create real-time dashboards and various monthly reports that show program performance data, at the local level, by LWDA, and the cumulative statewide level. These analyses will focus on student enrollment, measurable skill gains, post-exit outcomes, expenditures, and other areas of interest that indicate program quality. The results of these analyses will aid in conducting targeted technical assistance, design professional development, or issue guidance according to the areas of need to improve adult education program quality. The analyses will also seek to determine if the goals of the program are being met, including the extent to which implementation of postsecondary pathways and pre-apprenticeships has been successful. We will also evaluate the extent to which expanding service offerings in jails, with pay-performance models, and with integrated education and training programs has been effective—these are other major Adult Education program goals.*

## C. STATE STRATEGY

The Unified or Combined State Plan must include the State's strategies to achieve its strategic vision and goals. These strategies must take into account the State's economic, workforce, and workforce development, education and training activities and analysis provided in Section (a) above. Include discussion of specific strategies to address the needs of populations provided in Section (a).

1. DESCRIBE THE STRATEGIES THE STATE WILL IMPLEMENT, INCLUDING INDUSTRY OR SECTOR PARTNERSHIPS RELATED TO IN-DEMAND INDUSTRY SECTORS AND OCCUPATIONS AND CAREER PATHWAYS, AS REQUIRED BY WIOA SECTION 101(D)(3)(B), (D). "CAREER PATHWAY" IS DEFINED AT WIOA SECTION 3(7) AND INCLUDES REGISTERED APPRENTICESHIP. "IN-DEMAND INDUSTRY SECTOR OR OCCUPATION" IS DEFINED AT WIOA SECTION 3(23)

2. DESCRIBE THE STRATEGIES THE STATE WILL USE TO ALIGN THE CORE PROGRAMS, ANY COMBINED STATE PLAN PARTNER PROGRAMS INCLUDED IN THIS PLAN, REQUIRED AND OPTIONAL ONE-STOP PARTNER PROGRAMS, AND ANY OTHER RESOURCES AVAILABLE TO THE STATE TO ACHIEVE FULLY INTEGRATED CUSTOMER SERVICES CONSISTENT WITH THE STRATEGIC VISION AND GOALS DESCRIBED ABOVE. ALSO DESCRIBE STRATEGIES TO STRENGTHEN WORKFORCE DEVELOPMENT ACTIVITIES IN REGARD TO WEAKNESSES IDENTIFIED IN SECTION II(A)(2)

### **State Strategy**

Aligning Tennessee's local workforce development areas with Tennessee's Economic and Community Development (ECD) regions, allowed Tennessee's Workforce System an opportunity to regionalize economic and workforce development activities and optimize opportunities to share and leverage resources in the areas of workforce development partnerships. This realignment was a pivotal strategy for implementing sector partnerships between education, workforce, and economic development. Through building the local workforce development board's engagement, developing regional and local strategies, and leveraging data and partnerships Tennessee has implemented evidence-based sector strategies and career pathways as valuable tools for advancing its workforce.

### **Drive to 55**

The Drive to 55 Alliance is more than a higher education initiative; it embodies a broader mission encompassing workforce and economic development. Its aim is not only to decrease unemployment but also to enhance the quality of life for residents of Tennessee. The Alliance is dedicated to fostering increased awareness, ownership, and support from the private sector for the comprehensive, long-term measures required in areas such as college entry and completion, adult education and training, and addressing and bridging skills gaps. The overarching objective of the Alliance is to ensure that, by the year 2025, 55 percent of Tennesseans attain a college degree or certificate, thereby preparing both our workforce and the state for the challenges and opportunities of the future. This initiative includes two primary programs:

1. *Tennessee Promise* is a scholarship program to help more Tennessee high school graduates attend college. The program offers high school graduates two years of community

or technical college tuition-free. Volunteer mentors are critical to the program's success. TNAchieves is the Tennessee Promise mentorship organization that recruits and supports mentors for students across the state. Tennessee Promise participants must complete and submit eight (8) hours of community service per term enrolled, as well as maintain satisfactory academic progress (2.0 GPA) at their respective institution. TDLWD supports this initiative by providing volunteer mentors.

**2. Tennessee ReConnect** targets adults who do not already have an associate or bachelor's degree by enabling them to attend community college or technical college tuition-free. TDLWD supports this initiative by training staff to become Tennessee ReConnect Ambassadors.

Through building the local workforce development board's engagement, developing regional and local strategies, and leveraging data and partnerships Tennessee has implemented evidence-based sector strategies and career pathways.

### **Building the Local Workforce Development Board's Engagement**

To meet the needs of employers and align education and training opportunities with targeted industries and occupations, local workforce development boards are equipped with regional planning councils which include members of the core partners as well as other partners. The regional planning council members are equipped to identify and advise the local boards on regional and local in-demand and emerging sectors. Aligning all workforce system partners facing business or industry allows local workforce boards to identify skills gaps and make data-informed decisions to correlate and identify a potential underrepresented talent pool (public assistance, reentry, an aging workforce, rural distressed counties, etc.) for the industry.

The board's engagement assists with building regional and local talent pipelines, which is led by the local workforce boards and implemented by the local Business Service Team (BST) members. BST members are tasked with maintaining relationships with employers for the purpose of placing workers trained through the employer-focused workforce development and postsecondary education systems.

### **Regional Industry Engagement**

Tennessee's investment of its resources to develop strategies that fit individual industry sector needs, particularly the high-growth sectors of the economy is a priority. The State Workforce Development Board (SWDB) implemented rigorous local and regional planning elements and requirements to drive high-quality career pathways and strategies. Locally and regionally-based sector partnerships have been formed to provide a mechanism for establishing sector strategies throughout the state. Workforce services have to tie most of its resources for training workers to those industry sectors that drive the states existing and emerging economy while partnering with the education system developing the curriculum necessary for building these skills.

East Tennessee had a regional Education to Employment Summit (E2E) designed to bring together k-12 and post-secondary educational leaders, business and industry leaders, economic and workforce development professionals, and government leaders to discuss each party's role in developing the workforce pipeline. Local business and industry leaders shared what they need to be successful and how k-12 and post-secondary could help them.

Southeast local workforce development area developed work-based learning opportunities at Hamilton County High Schools in conjunction with an industry partner Gestamp, a top tier automobile production supplier. The partnership allows high school students an opportunity to work a full day and gain on-the-job training while seamlessly earning their high school diploma and postsecondary credit.

Through the Registered Electrical Apprenticeship Preparation (REAP) initiative, in partnership with Amtek, an electrical contracting and engineering career pathway was established at Lake County High. Graduating seniors expressing an interest in an electrician career participated in a 10-week pre-apprenticeship program to learn the fundamentals of basic electricity and construction applications. Those who successfully completed the program were eligible for hire and could be accepted into the 4-year registered apprenticeship program.

### **Leveraging Data and Partnerships to Inform Strategies and Drive Performance**

TN uses long term projection data to identify in-demand industries and occupations. P20 Connect TN is the state's longitudinal data system, which contains data across sectors and over time to illustrate the state's progress in education and workforce development allowing policymakers and practitioners to make fact-based decisions about how best to promote opportunities for all Tennesseans. The Workforce Insights, Research and Reporting Engine Division also known as WIRED continuously produces information collected by Labor Market Information to assist local workforce development areas in determining strategy and drive evidence-based decisions. The state and local workforce boards have access to a broad range of economic and administrative data that can be leveraged to help sector partnerships and activities, coupled with adding employers and regional council inclusion, yields robust data-driven decisions by understanding the needs of the current and future workforce and to assist with prioritizing target industries.

More details on the state's apprenticeship strategy are provided later in this plan. Those details support the unique needs and concerns of Tennesseans and business and industry that needs skilled and trained workforce and is willing to collaborate in developing the workforce pipeline.

### **Career Pathways**

Maximizing core program coordination and utilizing career pathways as well as evaluating to ensure that training and education requirements match the state's labor market needs allows Tennessee Workforce Areas an opportunity to lead the way nationwide in K-12 education reform. We have continued that momentum and expanded our focus to include post-secondary education through a pair of innovative Drive to 55 initiatives through Tennessee Pathways and the Tennessee Promise.

Tennessee's workforce development areas promote career exploration through career pathways also known as TN Pathways so young people can acquire educational, technical, and social skills that enhance career development. Working with regional councils including the regional pathways coordinators, we have enhanced efforts to improve communication, coordination, and collaboration in preparing youth for post-secondary studies or the world of work. Other strategies include: incorporating career pathways system as a model to better guide young people, incorporating pre-apprenticeship programs to offer young people opportunities to gain technical skills that are best learned on the job, and disseminating

information regarding future in-demand labor market needs to young adults when entering the workforce system.

Tennessee Pathways has created alignment between K-12, postsecondary education, workforce development, and employers so that students have a clear and guided pathway to gain the knowledge and experience needed to move seamlessly into the workforce. We believe that all students deserve access to high-quality careers that provide a living wage and opportunities for advancement.

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