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United States Senate Committee on Small Business and Entrepreneurship  
“New Hampshire’s Workforce Challenge: Innovative Approaches to Attracting and Retaining Skilled Workers”  
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With New Hampshire’s low unemployment rate and a growing economy, attracting and retaining skilled employees is probably the first priority of every business in the state. Our population demographics are not helping meet this challenge. School enrollments are steadily declining. A large portion of our workforce will be retiring in the next five to ten years. Skill requirements are growing, with more emphasis on post-secondary education.

Across the state, business, government, and education are working toward a common goal – 65% of our workforce will possess a post-secondary education by the year 2025 to meet the demands of the economy. This goal, called “65 by 25”, is not arbitrary. A study by Georgetown University identified evolving workforce needs for every state, based on each state’s economy and projected economic growth. For New Hampshire, we are currently at about 51% of our workforce having these skills. Through organic growth, we will reach about 58% by 2025. To get to 65%, which is essential for continued economic health, we will need about 50,000 more people to attain this level of training and education. How are we going to do this?

A starting point for individual companies is greater engagement – with their employees and with their communities. Employee engagement, getting our employees to be part of the solution to business problems and challenges, is a break from the traditional command and control management. This trend is evident by the adoption of lean manufacturing and other techniques that bring everyone into the process of running the business. Ongoing training and tuition reimbursement plans help increase skill levels of incumbent employees. These efforts help employees feel more valued and respected. They are more likely to stay with their employer.

Increasingly, businesses need to get out of their comfort zones and reach out to their local school systems to help the schools understand the career opportunities and needs of businesses. These needs are not only academic skills, but also include work habits and workplace expectations. Conversely, businesses need to understand the challenges of the educational system. This helps to establish common ground from which to work together to create graduates more aware and better prepared for careers. Internships, extended learning opportunities where students learn skills at a business, and mentoring are among the ways businesses and schools can collaborate. The Business and Industry Association of New Hampshire and the New Hampshire Charitable Foundation are collaborating in this area. The BIA has established a workforce development effort focused on bringing businesses and schools together to accelerate the process of these career awareness collaborations. The BIA has collected information from its members who are already working with schools to use as a template for other businesses to model their own engagement.

The BIA/NHCF collaboration is also undertaking a 65 by 25-oversight role, working with all entities in the state focused on workforce development and post-secondary education. By developing metrics to measure our collective progress toward the goal, and by increasing awareness of each entity’s efforts, we hope to ensure we are working most effectively to accomplish our task.

We will not reach 65 by 25 just through high school graduation rates. The decreasing school age population will not provide enough people to meet the demand, even if every student knew exactly what career path they planned to travel. We will help ourselves if we can increase in-state enrollment in our colleges and universities, as New Hampshire is one of the highest exporters of students to out of state higher education institutions. We will also help if we can retain more graduates within the state. Business engagement, in the form of internships and sponsored research, is critical to this effort. All of this is part of the 65 by 25 challenge.

A second area of effort is retraining the underemployed for higher skilled jobs. New Hampshire has a large segment of people who have had some post-secondary education, but no degree. These capable people often do

not know of the opportunities available in business, or of the educational and training resources already in place, to make a transition. The Strategic Partnership Initiatives are part of the solution to this challenge.

Attracting skilled workers from out of state is the third way of meeting the 65 by 25 goal. As every state is also involved in a similar effort, New Hampshire has a lot of competition for these workers. The particular advantage New Hampshire had in the past is no longer effective, as other states have improved their attractiveness to the skilled workforce. Immigration from other parts of the world can overcome these issues, as New Hampshire still provides an attractive place to work and live for many educated people from other countries.

I have highlighted only a few of the many efforts underway in New Hampshire that are addressing the challenge of growing and retaining our skilled workforce. The common goal of “65 by 25” has been a way to focus these efforts.