



Shaping the Economy

A Monthly Newsletter from the West Central Workforce Development Board

September/October 2006

The Texas Work Ethic Certificate (Part I)

Two-part article written by Dr. Lisa Berglund, Project Manager for the Regional Texas Essential Skills Initiative

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MISSION

Our mission is to provide an effective local service delivery system to place Texans in jobs and to equip workers with skills needed to foster economic development.

If you ask Texas employers what their biggest challenge is these days, their responses might surprise you. It isn't whether we should outsource to Mexico/India/China. Instead, the biggest challenge for most employers is that, although they want to keep their plants and companies in Texas, the lack of a work ethic is holding them back. Common complaints are voiced: "We hire folks who don't show up two days later – and don't even extend the courtesy of a call!" or "We have turnover rates that you wouldn't believe" or "Our productivity and performance are not where we need them to be." What is an employer to do?

Work ethic gaps, or what in some other states is addressed as "character development issues," is a diagnosed epidemic whose treatment is overdue. Because of work ethic deficiencies in workers, Texas businesses receive diminishing returns for their investments in their workers. Shifts in family, societal, and cultural trends may be cited as the source of the problem, but regardless of the reason, Texas needs to regain its once proud reputation for a workforce with a strong work ethic. To come to terms with the work ethic solution will take considerable resolve. This is a serious situation, which affects our future, our economic well-being, and our ability to be internationally and regionally competitive.

Today's manufacturing facilities are much different than yesterday's factories. Earlier generations of manufacturing

workers were manual laborers. One person worked on one machine part or one process. Because of technological advances, the machine itself is now doing the work previously done by a number of workers. In today's workplace, a well-trained and skilled worker needs to be able to "manage the machine." This typically means that each worker is assigned to operate an intricate and sophisticated machine, in which the ability to troubleshoot is the paramount skill. This requires crucial new skill sets: problem solving, decision-making, analysis, and an awareness of the importance of "process improvement." Underlying those capabilities, however, is a non-negotiable requirement--a proficiency in basic "foundational skills."

Foundational skills, also known as employability skills, are basic to success in any job. Often overlooked and assumed to be generally understood by workers, these skill sets are not included in most job training programs. These include such skills as: showing up on time, being trustworthy, being reliable, managing stress, respect for authority, and being a team player. Last but not far from least, a valued work ethic skill means loyalty to the organization and commitment to the success of the company.

What is the solution to this challenge? In next month's newsletter, I will let you know about an exciting initiative that has proven to be extremely successful in meeting the challenge. Stay tuned.....

Economic Indicators

West Central WDA				Texas				West Central WDA		
	Aug 06	July 06	Aug 05	Aug 06	July 06	Aug 05	Average Weekly Wage			
							WDA	Texas		
Labor Force	159,705	162,678	157,628	11,538,653	11,579,494	11,263,997	1st QTR 06	\$534	\$825	
Employment	152,124	154,545	150,295	10,949,914	10,944,998	10,676,355	2005 Avg	\$536	\$823	
Unemployment	7,581	8,133	7,333	588,739	634,496	587,642	2004 Avg	\$516	\$799	
Rate	4.7	5.0	4.7		5.1	5.5				

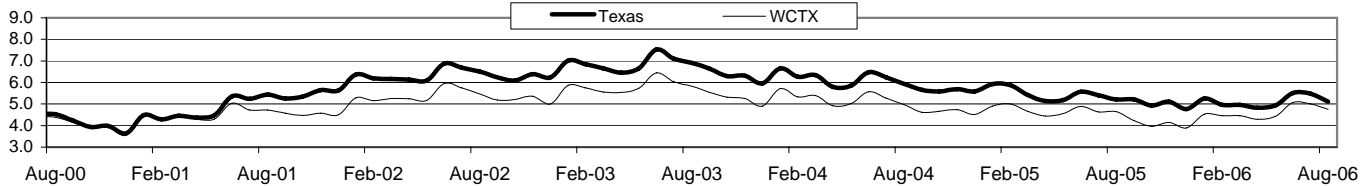
West Central Texas Workforce Development Area

August 2006

Civilian Labor Force Estimates (Not Seasonally Adjusted)

	West Central Texas WDA				Texas			
	CLF	Employed	Unemployed	Rate	CLF	Employed	Unemployed	Rate
Aug-06	159,705	152,124	7,581	4.7	11,538,653	10,949,914	588,739	5.1
Jul-06	162,678	154,545	8,133	5.0	11,579,494	10,944,998	634,496	5.5
Aug-05	157,628	150,295	7,333	4.7	11,263,997	10,676,355	587,642	5.2

Historical Unemployment Rates



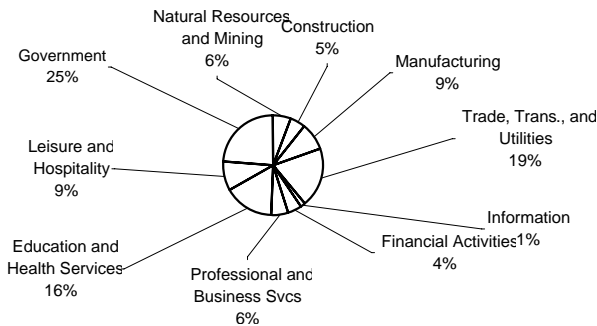
Total Claims

	Aug-06	Jul-06	Aug-05	OTY
Initial	533	661	618	-85
Continued	3,419	4,100	4,350	-931
Continued Claims for the Week of the 12th				
Continued	707	771	785	-78

Average Weekly Wage

	WCTX	Change	Texas
1st Qtr 2006	\$533.81	(2.39)	\$824.64
2005 Average	\$536.20	20.63	\$822.95
2004 Average	\$515.57		\$799.03

West Central WDA Industry Composition 1st Quarter 2006



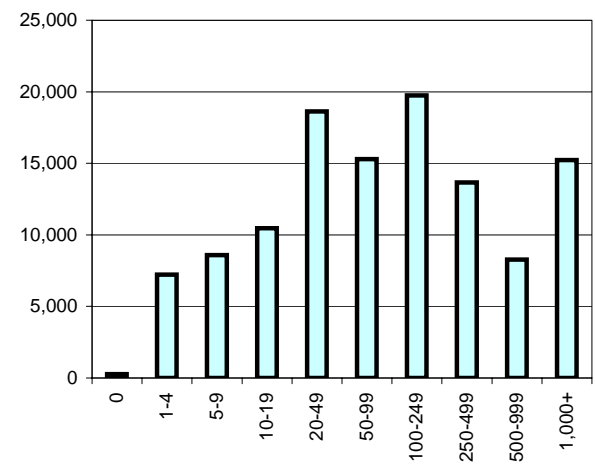
Top 10 Private Employers in the WDA 1st Quarter 2006

3M COMPANY
 MANUFACTURING COMPANY
 ABILENE CHRISTIAN UNIVERSITY
 ABILENE REGIONAL MEDICAL CENTER
 AMS BUSI SOLU & STERLING PERSONNEL SVCS
 BROWNWOOD MEDICAL CENTER LLC
 GIRLING HEALTH CARE INC
 HENDRICK MEDICAL CENTER
 KOHLER COMPANY
 UNITED SUPERMARKETS LTD
 WAL-MART ASSOCIATES INC

NAICS COVERED EMPLOYMENT QUARTERLY DATA 1st Quarter 2006

SUPER SECTOR	Total	Change Quarter	Year
Natural Resources & Mining	6,647	-402	602
Construction	5,769	204	967
Manufacturing	10,146	54	351
Trade, Trans., and Utilities	21,759	-354	213
Information	1,677	17	57
Financial Activities	5,058	-60	28
Professional and Business Svcs.	6,325	81	289
Education & Health Services	18,438	-375	-83
Leisure & Hospitality	10,766	427	807
Other Services	3,439	-21	-83
Federal Government	1,936	-18	213
State Government	5,966	130	-21
Local Government	19,313	49	-31
Nonclassified & Confidential	126	-129	53
TOTAL	117,365	-397	3,362

Size Class Employment Composition 1st Quarter 2006



Available Tax Credits for Employers

Work Opportunity Tax Credit

The Work Opportunity Tax Credit (WOTC) is a federal income tax credit that reduces the federal tax liability of private-for-profit employers. Employers can hire from eight different targeted groups:

Qualified TANF Recipient	Vocational Rehabilitation Referral
Qualified Veteran	Qualified Summer Youth
Qualified Ex-Felon	Qualified Food Stamp Recipient
High Risk Youth	Qualified SSI Recipient

The maximum credit available is **\$2,400 per eligible worker** for the adult target groups. The credit is based on 40 percent of up to \$6,000 in qualified wages during the first year of employment. Summer youth qualify for 40 percent of the first \$3,000 in wages during the required working period.

Welfare-to-Work Tax Credit

Long-term family assistance recipients, who begin work after December 31, 1997, and before January 1, 2006, can earn their employers up to **\$8,500 in the Welfare-to-Work (WtW) Tax Credit** if they are members of a family:

- That received TANF for at least 18 consecutive months before the hire date, or
- Whose TANF eligibility expired under federal or state law after August 5, 1997
- Who received TANF for a total of at least 18 months, beginning after August 5, 1997

The maximum credit for new hire employed for 400 or more hours or 180 days, is 35% of qualified wages for the first year of employment and 50% for the second year. Qualified wages are capped at \$10,000 per year.

While no WOTC/WtW tax credit may be claimed for an employee on an on-the-job training contract, credit may be claimed for wages paid after the contract expires. However, the employee must have been certified for WOTC/WtW prior to the first starting date with the employer. Also, the time spent by the employee on on-the-job training qualifies the employer toward fulfilling the retention period.

Franchise Tax Credits for Child-Care Programs

The legislature created two franchise tax credits related to day-care and after-school-care programs. Eligible corporations may take advantage of these credits for qualifying expenditures made in Texas on or after January 1, 2000. These tax credits are administrated by the Texas Comptroller of Public Accounts, which may be contacted at 1-800-252-1381.

Dependent Care Assistance

An employer may earn a fringe benefit for providing dependent care services either paid (directly or indirectly) or provided to an employee under a Dependent Care Assistance program that covers only your employees. For more information contact the IRS 1-800-829-1040.

Transportation (Commuting) Benefits

This fringe benefit applies to the following: (1) A ride in a commuter highway vehicle between the employee's home and work place, (2) A transit pass or (3) Qualified parking. For more information contact the IRS 1-800-829-1040.

For more information on available tax credits, contact the West Central Texas Workforce Center Business Services Unit at 325-795-4200 or toll-free 1-800-457-5600 (TDD at 325-795-4213), the Business Services Coordinator for the Workforce Development Board at 325-795-4330, or access our website at www.workforcesystem.org.

Area Job Fair Provides Opportunity for Employers

Area employers are invited to participate in the 13th annual Abilene Area Job Fair. This year's event will be held on Thursday, October 12, 2006, from 10:30 a.m.-5:00 p.m. at the Abilene Civic Center. The previous job fair was attended by over 1,200 people, including graduates from four-year universities and two-year colleges; professionally, technically, and administratively trained employees from Dyess Air Force Base; Abilene Independent School District graduates; and a diverse adult population seeking part-time and full-time employment. The registration fee for employers is \$100.00, which includes a 10'x10' booth, tables and chairs, and lunch for two representatives. To register, you may call Sylvia Shurgot at (325) 696-8421 or visit www.abilenejobfairs.com. The registration deadline is October 4, 2006.

Workforce Grant Recipient Named

The West Central Texas Workforce Development Board is pleased to announce that Genesis Networks, Inc. in Abilene has been named a recipient of grant funds offered through the Workforce Investment Fund (WIF). The WIF was created by the Workforce Board to provide funds for customized training, upgrading skills of current employees, developing new training programs, creating new high-skill or high-wage jobs, or retraining employees for new or emerging occupations. A provider of IT products and services, based in San Antonio, Genesis Networks opened its software testing facility in Abilene in August 2006. The grant received from the Workforce Investment Fund helped in hiring and training 18 new employees out of the current 22 at phase 1 of this project. Primary applicants for grant funding through the Workforce Investment Fund include small and medium-size businesses, chambers of commerce, economic development entities, or labor organizations. Since its inception, over \$746,000 has been awarded to 18 different companies, and over 1,000 workers have been trained. Grants are awarded quarterly through a competitive application process, and the deadline for the next grant cycle is September 30, 2006. Application information may be accessed at www.workforcesystem.org.



WEST CENTRAL TEXAS WORKFORCE
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The Workforce Center is an equal opportunity employer. Auxiliary aids and services are available upon request in individuals with disabilities. For TDD call 1-800-735-2898 or voice accessible communication at 1-800-735-2988