



President's Task Force on Economic and Workforce Development

Dr. H. Ray Hoops, President • University of Southern Indiana • June 30, 2000

REPORT

Purpose of Task Force

In November 1999, Dr. H. Ray Hoops, president of the University of Southern Indiana, appointed a Task Force on Economic and Workforce Development to study economic and workforce trends in the Tri-State region, and if needed, to recommend new curricular programs that would enable the University to best serve the needs of the area economy.

President Hoops gave the Task Force the following charges:

- Audit existing curriculum, educational, and training programs and recommend needed changes;
- Study the existing and newly emerging economic and social trends in the regional economy to identify gaps between the existing program offerings and the changing needs of area employers;
- Conduct a study of USI's economic impact on the regional economy; and

- Mount a regional effort to generate awareness of these issues and to solicit feedback on the role of the University as an agent for economic development.

The Task Force gathered and analyzed information about present and expected workforce issues. New data were gathered in

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face-to-face meetings, in several regional focus groups, and through other contacts with a cross-section of business and community leaders. These findings were reinforced with data collected from various federal and local government agencies as well as from private research organizations.

Findings and Recommendations: Highlights

- There is a severe shortage of engineers and information technology professionals; special education teachers also are needed.
- Employers need individuals who have better communication, critical-thinking, problem-solving, team-building skills; and who are adaptable.
- Additional programs in applied computer science and special education would meet an expressed need of area employers.
- The USI engineering technology program needs to expand to widen the range of occupations that can be filled by engineering graduates.
- Other areas that merit further investigation include labor needs in the regional hospitality industry, the need for corrections officers, and opportunities for physical therapists.
- In general, existing USI programs meet the demand for most of the high-growth professional occupations. Missing are programs that prepare graduates for positions in information technology, computer science, hospitality management, special education, corrections, physical therapy, and engineering occupations.
- Focus-group discussions with leaders from the business community reveal strong support for some program initiatives, including the transfer of the Master of Public Administration degree program from Indiana State University to USI, a new baccalaureate program in applied computer science, a master's degree program in health administration, and a revised program in the engineering field.
- USI is one of the largest employers in Evansville and continues to have considerable economic impact on the region's economic base. The total economic impact of \$84.9 million spent by the University, employees, students, and visitors (direct spending in 1999) is estimated to be \$138 million. An output multiplier of 1.62 suggests that for every dollar of direct spending in the regional economy an additional \$0.62 of business sales is generated through secondary effects.
- Student expenditures in the regional economy represent the largest source of direct spending compared to University purchases, employee spending, and visitor spending. The total economic impact of the \$43 million that USI students spent in the 11-county southern Indiana economy in 1999 is estimated to be \$68 million.

Jobs Outlook

In the nation

The U.S. Department of Labor's Occupational Outlook Handbook projects the highest rate of job growth from 2000 to 2006 in occupations requiring a bachelor's degree (25 percent) followed by occupations requiring an associate degree (22 percent).

Table 1 shows that USI presently does not offer programs to prepare graduates for the workforce in at least seven of the 24 categories of occupations for which national projections are available. Over the period for which these projections are made (1996-2006), the combined job growth in these occupations is expected to be 1,229,000 positions.

In the region

The Indiana Department of Workforce Development projects occupational growth for the 11-county southwest Indiana region for 10-year periods, the current period being 1996-2006.

Analysis of these projections reveals that USI offers no academic preparation for six occupations, requiring college degrees, which are expected to grow by at least 100 new jobs in the region over the current period. These occupations and the number of new jobs expected for the region from 1996-2006 are as follows:

Food service and lodging managers	440
Computer scientists	300
Special education teachers	270
Corrections officers	200
Vocational education teachers	100
Physical therapy assistants	100

Table 1
National (U.S.) Occupational Projections

Occupation	No. of openings 1996-2006	Related USI program
Systems analysts	554,000	Comp. Information Systems
General managers	467,000	Business Admin., MBA
Registered nurses	411,000	Nursing
Secondary teachers	312,000	Secondary Education
Data base managers	268,000	Computer Inform. Systems
Clerical supervisors	262,000	Business Administration
Computer engineers	250,000	No USI Program
Special ed. teachers	188,000	No USI Program
Social workers	168,000	Social Work
Hospitality managers	168,000	No USI Program (Bus. Administration)
University faculty	162,000	No USI Program (Pre-Professional)
Engineering & computer system managers	155,000	Indus. Supervision; Indus. Mngt. Computer Information Systems
Licensed practical nurses	148,000	No USI Program
Financial managers	146,000	Finance
Marketing, advert. & p.r.	138,000	Mkt., Advert, Pub. Relations
Computer programmers	129,000	CS, CIS
Coaches and physical ed.	123,000	Physical Ed. Teaching
Lawyers	118,000	Pre-Professional
Physicians	118,000	Pre-Professional
Electrical engineers	105,000	Engineering Technology
Corrections officers	103,000	No USI Program
Financial services sales	100,000	Finance
Physical therapists	81,000	No USI Program
Artists	78,000	Art

Source: Census of Business, 1997.

Curriculum: Impact and Recommendations

The Task Force reviewed both the credit and noncredit programs of the University to determine the impact of existing programs and to recommend new directions to serve the changing needs of employers. The findings follow:

Credit Programs

- USI is characterized by a comparatively small set of new programs.
- Significant resources are being committed to distance education coursework.
- Growth over the last 10 years has been mostly in graduate and professional programs reflecting regional needs.
- USI has continued its strong record of accreditation of its programs.
- USI has a strong program review system that requires each degree program be reviewed every five years.
- Employers report a high level of satisfaction with communication and critical-thinking skills of graduates.
- New program directions, based on focus groups with employ-

ers and community leaders, include the following:

1. Master's programs in public administration and health administration
2. Baccalaureate programs in applied computer science and in electronic business
3. Expanded bachelor's programs in engineering fields.

Noncredit Programs

On average, more than 7,000 people attend USI's Organizational and Professional Development Group training and education programs each year. Some people are enrolled in programs available to the public on campus; others complete customized programs conducted on site for Tri-State employers by the University on a contractual basis.

Hundreds of southwestern Indiana employers have benefited from these services. These employers recognize the value of customized, on-site programs and the impact of public programs that address a number of productivity and employee-related training problems.

Economic Impact of USI on Regional Economy

The Task Force report extends the 1996 analysis of USI's economic impact on the local economy. Instead of focusing solely on the University's impact on Vanderburgh County, the current analysis considers USI's economic impact on the southwestern Indiana region.

Data were collected on student spending patterns, University employee spending, visitors' spending, and USI's payments to vendors in the 11-county region.

- Since the 1996 USI economic impact study, enrollment growth has continued at a pace that makes USI the fastest-growing university in the state of Indiana. Between fall 1987 and fall 1996 the annual rate of enrollment growth was 5.3 percent, more than three times the 1.44 percent annual growth for all colleges and universities in Indiana during that period.

Between fall 1996 and fall 1999, USI's annual rate of enrollment growth continued to exceed the annual growth for all colleges and universities in Indiana (3.9 percent compared to 1.7 percent respectively).

- USI's expenditures for current operations and capital improvements over the past three years also have exceeded its annual growth between 1987 and 1996. From 1997 to 1999, the annual growth in expenditures for current operations and capital improvements was 12.7 percent compared to the 10.6 percent annual growth in the period 1988-1996.

*From 1997-99,
the annual
growth rate for USI
expenditures on
current operations
and capital improvements
exceeded the annual
growth rate
from 1988-1996;
expenditures by
employees, students,
and visitors also grew
at an increased rate*

Table 2*
**The Impact of USI's Operations
on Vanderburgh County**

	1996	1999
USI-related direct spending	\$59.1 million	\$71.0 million
Total business volume impact	\$106.2 million	\$127.6 million
Personal income	\$36.9 million	\$48.1 million
Total employment	2,527	3,023

Table 3*
**The Impact of USI Operations
in Southwestern Indiana in 1999**

	Direct spending	Total business volume impact	Total personal income impact	Employment impact
	Millions of Dollars			No. of Jobs
USI	\$19.5	\$33.7	\$22.8	751
Employees	\$17.4	\$27.6	\$ 9.8	349
Students	\$43.0	\$68.0	\$24.8	1,134
Visitors	\$ 5.0	\$ 8.5	\$ 2.9	177
Total	\$84.9	\$137.9	\$58.0	2,411 3,582 (2,411+1,171)

- The annual growth in expenditures by employees, students, and visitors averaged 8.6 percent between 1997 and 1999 compared to an annual increase of 6.2 percent between 1984 and 1996.
- Although state appropriations continue to represent the largest single source of funds for the University, the relative importance of state appropriations has declined from 41.6 percent in 1996 to 38.5 percent in 1999. Student tuition and fees accounted for 29.7 percent. Gifts, grants, and contracts represented 11.8 percent of total funds.
- Student expenditures in the regional economy represent the largest source of direct spending compared to University purchases, employee spending, and visitor spending. Students spent about \$43 million in the 11-county region during 1999.
- About 75 percent of USI's expenditures for goods and services were made to businesses and households located in the southwestern Indiana region.
- More than 75 percent of USI's payroll expenditures go to people living in the region.
- In 1999, the total business output impact of \$84.9 million spent by University employees, students, and visitors was estimated at \$138 million. An output multiplier of 1.62 suggests that for every dollar of direct spending in the regional economy an additional \$.62 of business sales is generated through multiplier effects.

**In Tables 2 and 3, for each measure (business volume/output, personal income, and employment) the impact number refers to the direct and secondary effects associated with the direct spending from the listed sources (USI, employees, students, and visitors). As production in different sectors responded to the increased demand, 2,411 new jobs were generated in the local economy in 1999. During this period, USI had 1,856 people on its payroll. Since this number included part-time faculty and student workers, a conversion formula was used to translate this number to that of full-time-equivalent employees (approximately 1,171). Therefore, the total employment impact of USI on the local economy is estimated to be 3,582 in 1999.*

Task Force Members

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Department of Economics and Finance*

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Members of the **Community Advisory Panel** (below) repre-
sent a range of occupational and interest areas and a broad geo-
graphical area.

Mike Alvey, Bradley David Productions, Evansville

Mike Belwood, Alcoa, Newburgh

David Cox, Daviess County Growth Council, Washington

Nancy Eckerle, Chamber of Commerce, Jasper

Bill Harmon, Carmi, Illinois

Mayor Randy Harris '87, Petersburg

Angie Mann '90, NSWC, Crane

Dr. Ira Neal, Evansville-Vanderburgh School Corporation,
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Doug Padgett, WEHT-TV, Channel 25, Henderson, Kentucky

Paula Pinkstaff, Toyota Motor Manufacturing Indiana,
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Ruth Ann Sellers, Indiana Michigan Power Plant, Rockport

Gary Schwartz, Kimball International, Jasper

Dr. Keith Spurgeon, Mt. Vernon School District, Mt. Vernon

Greg Wathen, Perry County Development Corporation, Tell
City