

# Employers can't find workers, workers can't find jobs

By VALERIE WELLS The Daily News | Posted: Wednesday, November 23, 2016 11:00 pm

Galveston employers say they can't find enough people to hire, yet there are plenty of unemployed residents. The conundrum arises from a reliance on foreign seasonal workers through the J1 visa program and a need for skilled workers. Retiring baby boomers, ever-changing technology and underemployed workers complicate the problem.

Gina Spagnola, president and CEO of the Galveston Regional Chamber of Commerce, has heard the frustration from both sides — employers who can't find the right workers, and workers who can't find the right jobs.

Earlier this year, the chamber started a workforce development task force to assess the needs of employers and workers. Spagnola envisions the end product of the task force as a sort of Match.com website that finds everyone the right fit.

Myles Shelton, president of Galveston College, and Mike Dean, owner of Yaga's Café and president of Yaga's Entertainment, are co-chairs of the task force that is examining the demands for skilled, semiskilled and unskilled workers in maritime, medical and hospitality fields.

"The task force is too early in its work, but we do know there are needs," Shelton said. "There's always a supply and demand for every market, always a push-pull. There's an ebb and flow of people who are willing to work and able to work."

Summer can be a difficult time for island employers to find seasonal workers. "Employees say, 'I need to work all year long. I have a family to feed,'" Shelton said.

With three higher-education institutions on the island, Galveston can train the workforce it needs, Shelton said. Also, public education provides opportunities for high school students to gain marketable skills.

Dean hires servers and other supposedly unskilled workers, but he also turns a lot of applicants away. It's not a lack of formal training, it's a lack of etiquette.

"It's all the things your mama told you to do," Dean said. "Stand up straight, look me in the eye, shake my hand. Eighty percent of the people who come in looking for a job don't have a pen. We don't give them an



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Julie McKinney, a manager at Saltwater Grill in Galveston, started as a server when the restaurant opened in 1999. She has worked her way up from server to bartender, and now manager.

application.”

The 16- to 23-year-olds looking to enter the unskilled job market face struggles, Dean said. Growing up on Facebook and frequent texting means some in the entry-level labor pool are not accustomed to face-to-face contact.

“I can’t text your food to you,” Dean said.

While many unqualified applicants come to his business, he doesn’t have trouble finding staff. And he doesn’t hire foreign students on seasonal J1 visas because he invests too much time in training.

The J1 visa program is a U.S. State Department program that allows some residents of certain countries to work in the United States legally. The J1 visa summer work travel program allows foreign college students to work for a few weeks to a few months in this country. In 2015, 3,082 J1 holders came to Texas under the summer travel program.

But none of them came to work for Dean.

“I like hiring freshmen at Texas A&M,” Dean said. The college students have a chance to grow and stay with him throughout their college careers.

“I’m building a different type of model, summer and winter,” he said. “So, we hire Galveston people in the summer. They are home from college. During the school year, we hire A&M kids.”

The entry-level labor pool differs from previous generations in other ways.

“We’re facing a major shortage of skilled workers,” said Stephen Klineberg, founding director of the Kinder Institute for Urban Research at Rice University.

The leading edge of the baby boom generation is turning 70, but the new entry-level job pool is getting less education while the same jobs now require more training, Klineberg said. Electricians, welders and technical workers require a year or two of specialized training.

“They are being replaced by a very different population that doesn’t have the resources,” Klineberg said. “It’s a crazy paradox.”

A Kinder Institute study that tracked eighth graders in Houston found that 11 years later, 22 percent of them got some type of work certificate. The unskilled jobs open to the other 78 percent pay poverty wages and offer very little chance of mobility, Klineberg said.

Americans live in a new kind of economy with robotics replacing people and a learning curve that gets steeper every year.

“Education is now more critical than it ever was before,” Klineberg said. “A lot of people out of high school can’t find the jobs that used to be called unskilled.”

Johnny Smecca, president of Galveston Restaurant Group, battles a shortage of managers.

“The turnover rate in our industry is quite large,” Smecca said. “It’s tough. We just lost three managers in a month.”

Two of his managers who live in League City went into the Houston market, he said.

“I don’t think we are attracting enough employees,” he said. “When we find them, they are already settled with family. If you find someone on Galveston Island, they were fired or they work at another restaurant. We don’t like to hire away employees that work at other restaurants.”

Although Galveston Restaurant Group uses a service to recruit managers and actively looks for servers and other workers, the business doesn’t rely on J1 visa workers.

“We’ve used them very little,” Smecca said. “We haven’t been successful with them. They’re not good workers. Maybe we were just getting the wrong crop.”

Resorts on the island that do use J1 visa workers send representatives overseas to recruit and hire foreign workers, Smecca said.

Few things would keep someone who needed a job from getting a job with Smecca, even an applicant who may have a conviction.

“We like giving people an opportunity to work,” Smecca said. “It works out sometimes, sometimes it doesn’t.”

Smecca has many people who have worked their way up from waiter to chef and from server to manager. “They’ve been with us forever. That’s why we are able to do what we do.”

One of his best examples is Julie McKinney, who is manager at Saltwater Grill and started as a server who worked her way up to bartender, then manager.

“She’s been there since the day we opened in 1999,” Smecca said.