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EDUCATION FOR ECONOMIC OPPORTUNITY

GETTING THE ECONOMY MOVING AGAIN: WORKFORCE DEVELOPMENT CHALLENGES

July 26, 2011



JOBS FOR THE FUTURE

Presentation Outline

- ◆ Workforce Issues in the News
- ◆ No Job Growth/Skills Mismatch
- ◆ Skills/Degrees for High Performance Workforce
- ◆ Demographics/Replacement Demand
- ◆ Sizing Up the Labor Market with Real Time Labor Market Information

By MARY L. LANDRIEU And PATTY MURRAY Wall Street Journal, August 10, 2011 According to the Bureau of Labor Statistics, the U.S. currently has approximately three million job openings, all waiting to be filled. With so many Americans out of work, what is the delay? Workers want to work, and so many businesses want to hire—but there is a widening "skills gap" that prevents many Americans from filling the jobs of the 21st century economy. If we want to get our economy back on track and get workers back on the job, we will have to address this issue in a better way.

A recent report on this issue from the perspective of CEOs and college presidents found that more than half of the companies surveyed reported a challenge in finding candidates with the right skills. Of the smaller businesses, 67% said finding skilled workers was difficult. A Wells Fargo/Gallup Small Business Index Survey reveals that while half of small-business owners hired new workers in 2010, 42% of these hired "fewer" [employees] than needed." Sixty-two percent of that group said this was because it was "hard to find qualified employees for [the] positions available."

Adding to the urgency of the situation is the reality that the U.S. competes in a global economy, and businesses today take stock of assets around the globe when they make investment decisions.

The sad fact is that we spend considerably less than other developed countries on labor-market policies, including work-force training and job-search programs. At the individual level, the U.S. invested only \$908 per labor-market participant—\$84 dollars, or 9.2%, less than the average amount spent by other member countries of the Organization for Economic Cooperation and Development (OECD).

The Washington Post with Bloomberg

BUSINESS

Where Washington and Business Intersect

Can job training help solve the jobs crisis?

By [Suzy Khimm](#)

There are still more than four unemployed workers vying for every job opening in the country. But within certain industries--including manufacturing, health care, and engineering--employers are actually struggling to fill jobs that are increasingly demanding higher skills.



Brent Rasmussen, president of CareerBuilder

North America, discussed the significance of these findings and the need to keep hiring in this economy:

“We need to do a better job as a nation to help workers identify jobs that are in-demand today and are projected to grow in the future. We have a growing skills gap and the need to get millions of Americans back to work. As the economy recovers, we need to focus on retraining and ‘re-skilling’ workers to help them move to new fields with a greater number of opportunities.”



- “The problem is a lack of coordination among those who expend money for education and training. This must be rectified with dispatch and has to include business, government, schools, four-year colleges, universities and the 1,200 community colleges. In this last group, enrollments are up 15 percent in the past two years alone but operational budgets have been reduced.”

By Gene A. Budig and Alan Heaps

Budig, is the former president/chancellor of three major state universities (Illinois State University, West Virginia University and the University of Kansas). Heaps is a vice president at the College Board in New York City.

BAD NEWS – Fifty-two percent of businesses having trouble filling positions: Huh?

08.15.11



Manpower released a study claiming, "52% of U.S. employers are experiencing difficulty filling mission-critical positions within their organizations, up from 14 percent in 2010." How can this be? Another sign (literally) that employers are having trouble hiring can be seen as you drive down the highways of Silicon Valley where Zynga, Facebook, and Groupon have erected billboards with words like, "We're Hiring!" The sad part is, of course, that we don't have a shortage of people looking; we have a shortage of people with the right skills. Long term, we have to hope the American educational machinery puts more emphasis on training innovators. Short term, companies are filling voids by creating virtual online offices where they don't have to rely on local talent. Management style is shifting to handle remote employees, where "managing by walking around" doesn't work anymore, and meeting by Skype becomes the norm.



The report by the American Institutes for Research said that 493,000 students began college nationally in 2002 but did not earn a degree within six years, losing an estimated \$3.8 billion in earnings in 2010 alone.

Those earnings would have generated \$566 million in federal income-tax revenue and more than \$164 million in state income taxes, the analysis found.

Obama's competitiveness council hopes the new internships will help engineering schools improve abysmal retention rates. Forty percent of science and math majors drop out, according to the American Society for Engineering Education.

Some high-tech companies would like to hire engineers in the U.S. but are exporting jobs to Asia because of a shortage of qualified Americans, Energy Secretary Steven Chu said.

"We need engineers. We need scientists," Chu said. "This is going to be at the heart of how the United States is going to remain competitive."

Having a college degree is essential for getting a good job in this country.

Strongly agree/agree	69%
Neither agree nor disagree	19%
Strongly disagree/disagree	11%

May 17-29, 2011

Gallup/Lumina

GALLUP

Unemployment and Underemployment, by Education Level

Jan. 2-July 31, 2011

	Unemployed	Underemployed*
All U.S. adults	6%	19%
High school or less	8%	26%
Technical/Vocational/Some college	7%	21%
College graduate	5%	12%
Post-graduate work or degree	3%	9%

Gallup Daily tracking

*Unemployed or employed part time but wanting full-time work

GALLUP

In your opinion, which one of the following is the main reason why students get education beyond high school?

	U.S. adults
To earn more money	53%
To get a good job	33%
To become a well-rounded person	5%
To learn more about the world	3%
To learn to think critically	1%
All of the above	3%
None of the above/other	1%

May 17-29, 2011
Gallup/Lumina

GALLUP®

**People who have a college degree have a
good chance of finding a quality job.**

Strongly agree/agree	57%
Neither agree nor disagree	27%
Strongly disagree/disagree	15%

May 17-29, 2011

Gallup/Lumina

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EDUCATING THE WORKFORCE OF THE FUTURE

Since 1973, the number of jobs that require at least some college has more than tripled, while those requiring a high school diploma or less have flattened.

A collaboration between AECOM and Hyperlink, in partnership with University of Phoenix.

1973

91 MILLION WORKERS

2007

154 MILLION WORKERS

PROJECTED
2018

166 MILLION WORKERS

BACHELOR'S AND ABOVE
ASSOCIATE'S OR TRADE SCHOOL
HIGH SCHOOL DIPLOMA OR LESS

↑ 14.6 M (16%)

↑ 10.9 M (12%)

↑ 55.6 M (72%)

+285% ↑ 41.8 M (32%)

+237% ↑ 48.3 M (27%)

+0% ↑ 63.1 M (41%)

+15% ↑ 48.1 M (33%)

+11% ↑ 54.8 M (29%)

0% ↑ 63.1 M (38%)

PREPARING TO JOIN

60%

OF JOBS (AND GROWING) REQUIRE AT LEAST AN ASSOCIATE'S DEGREE



BUT ONLY

40%

OF AMERICANS OBTAIN AN A.A. OR B.A. BY THE AGE OF 27



HIGHEST GROWTH / LOWER WAGES

Highest Paying Jobs and Highest Growth

- Healthcare
- Information technology
- Education services

HIGHEST GROWTH / HIGHER WAGES

Highest Paying Jobs and Highest Growth

- Manufacturing
- Healthcare services and administration
- Information technology



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Job Outlook 2011 Spring Update For the first time since 2007, employers report a double-digit increase in their spring hiring projections, according to results of NACE's 2011 Job Outlook Spring Update.

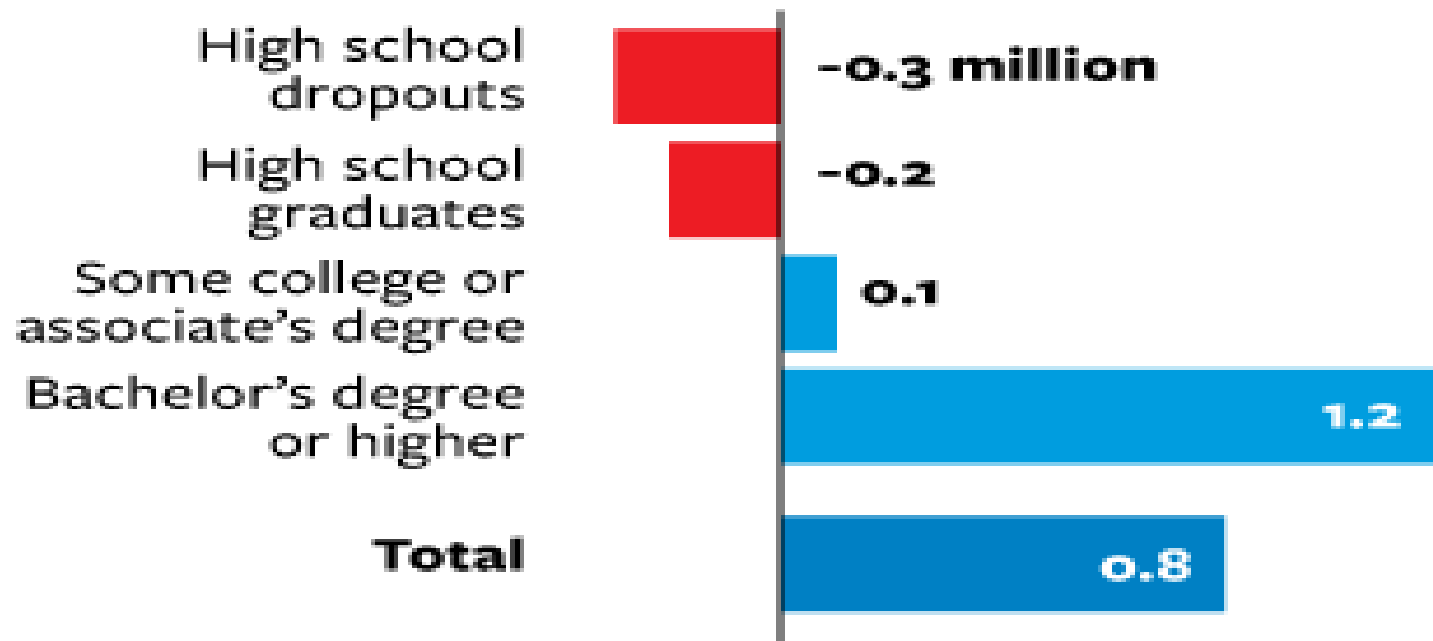
The first hiring projections made for the Class of 2011 in the *Job Outlook 2011 Fall Preview* showed a planned increase in hiring of 13.5 percent for this year's crop of new graduates.

In this latest update, employers indicate they plan to hire 19.3 percent more graduates in 2010-11 than they did in 2009-10.

Employment by Education Level

Since January 2010, people with lower education levels have had a harder time finding employment than people with more education.

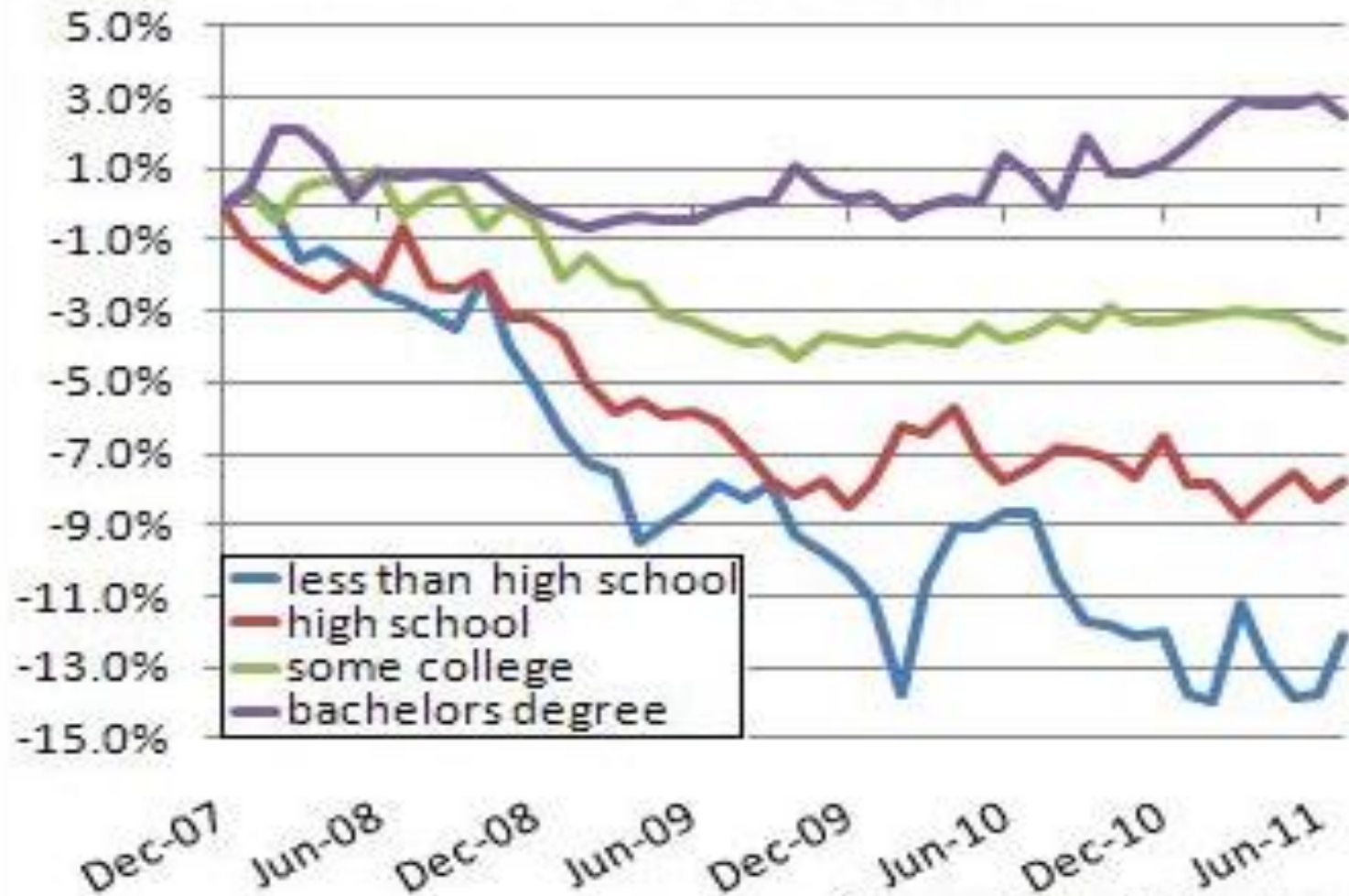
Job gains among workers 25 and older at different educational levels (Jan. 2010-June 2011)



Sources: McKinsey Global Institute, Bureau of Labor Statistics

Higher Education

Cumulative change in employment, by education level



Source: Labor Department



	Less than High School	High School Diploma	Some College/No Degree	Associate's	Bachelor's	Master's	Doctoral
Professional	1.3%	2.4%	4.8%	4.9%	17.2%	24.2%	36.9%
Doctoral	2.3%	4.6%	8.6%	9.5%	26.7%	35.5%	.
Master's	4.6%	9.2%	15.9%	19.2%	39.9%	.	.
Bachelor's	7.3%	14.3%	23.1%	28.2%	.	.	.
Associate's	16.3%	29.8%	41.9%	.	.	.	.
Some College/No Degree	21.3%	36.6%	.	.	.	.	.
High School Diploma	31.4%	.	.	.	.	.	.

Source: Georgetown University Center on Education and the Workforce

Percentage of people with a particular education level earning more than those at a higher educational level. (For example, 1.3 percent of those with less than a high school education have an income equal or greater to someone with a professional degree.)



State	% of Workforce Aged 45+	% of Workforce Aged 45-64	% of Workforce Aged 55+	% Unemployed 52+ weeks
Maine	48.3%	43.8%	22.6%	24.6%
Vermont	48.2%	43.4%	22.9%	18.2%
Connecticut	47.4%	42.3%	21.9%	32.4%
New Jersey	47.1%	41.8%	21.7%	37.1%
Pennsylvania	46.3%	41.6%	21.4%	26.0%
Montana	45.9%	41.4%	21.8%	21.1%
Rhode Island	45.8%	41.0%	21.1%	30.8%
Ohio	45.1%	41.1%	20.3%	29.0%
West Virginia	45.0%	41.0%	20.7%	22.5%
Wisconsin	44.7%	40.6%	19.9%	26.9%



Percentage of Workforce Aged 45+

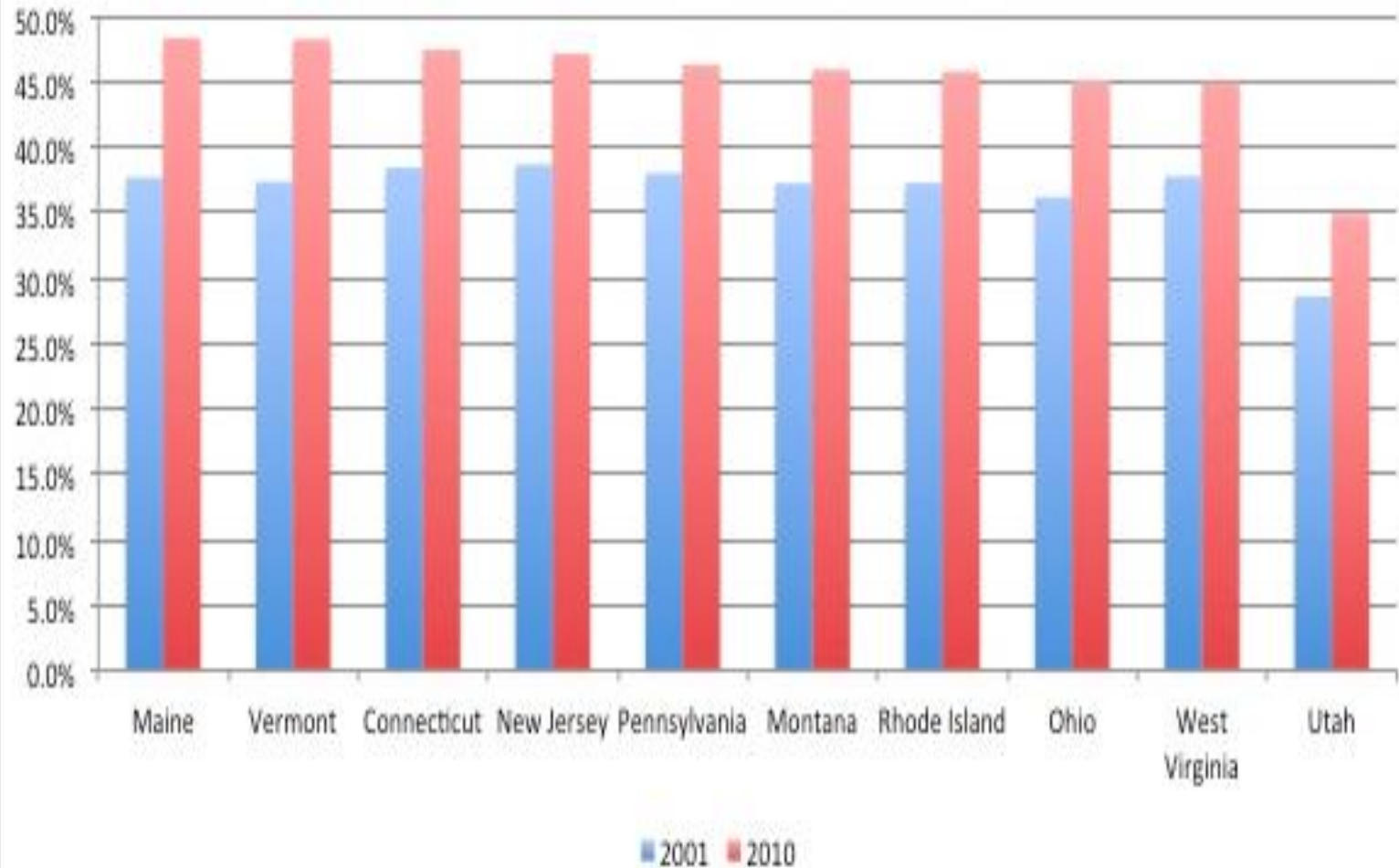


Illustration by *Mark Beauchamp*

Top detailed occupations

Total Job Postings = 1,254,007

Unspecified/Unclassified = 248,109

08/02/2011 - 09/01/2011 (Data not available after 08/27/2011)

Active Filters

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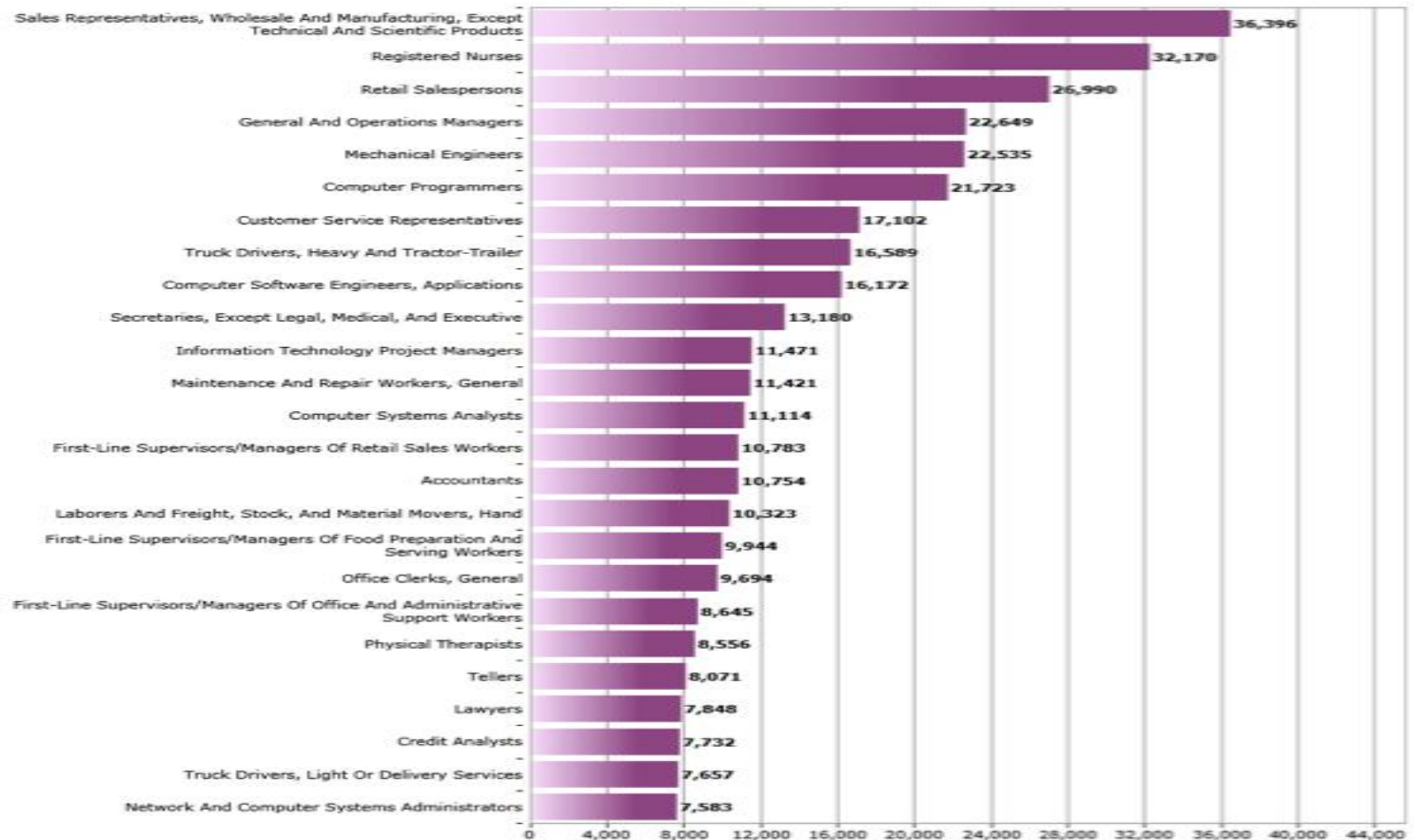
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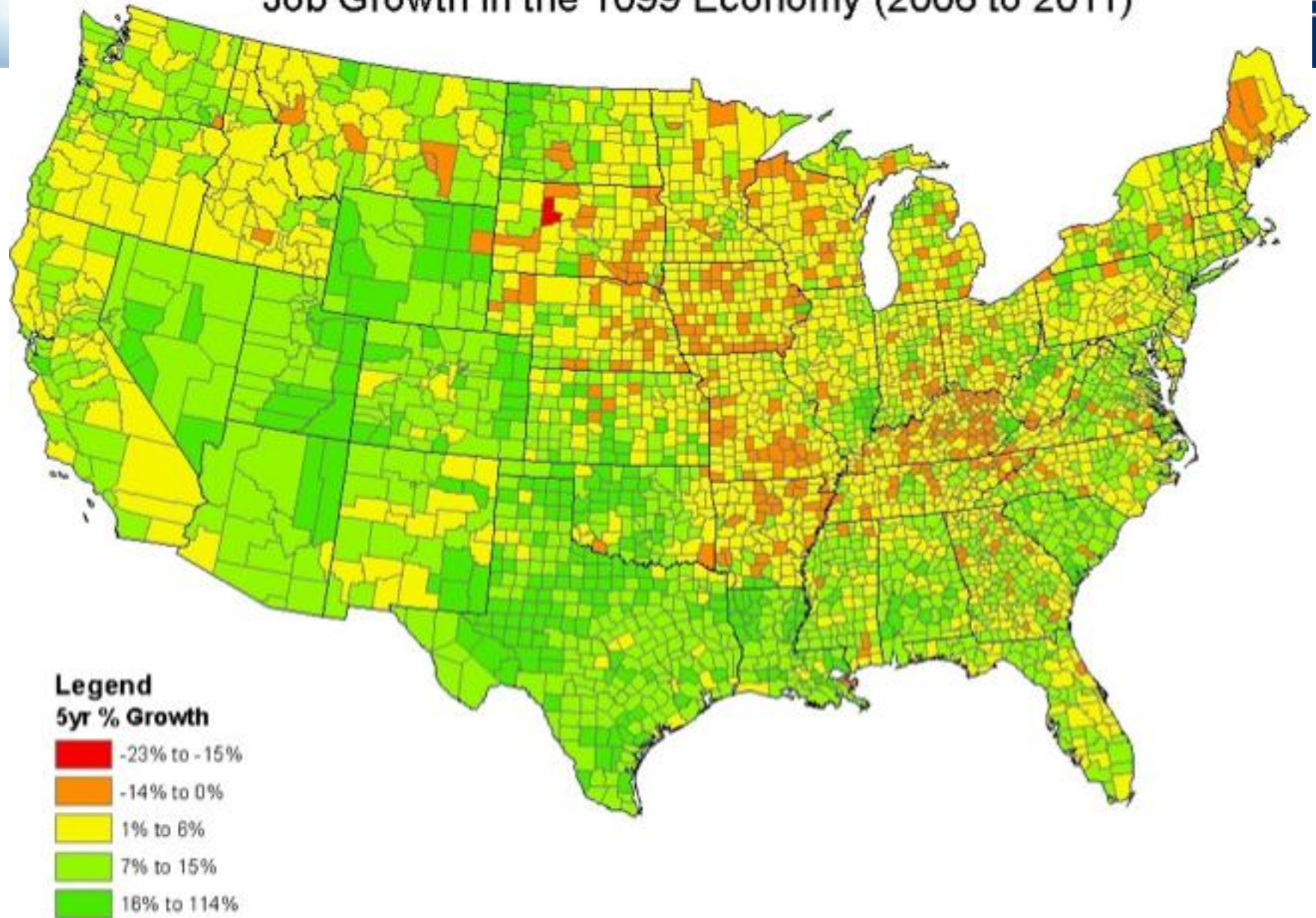
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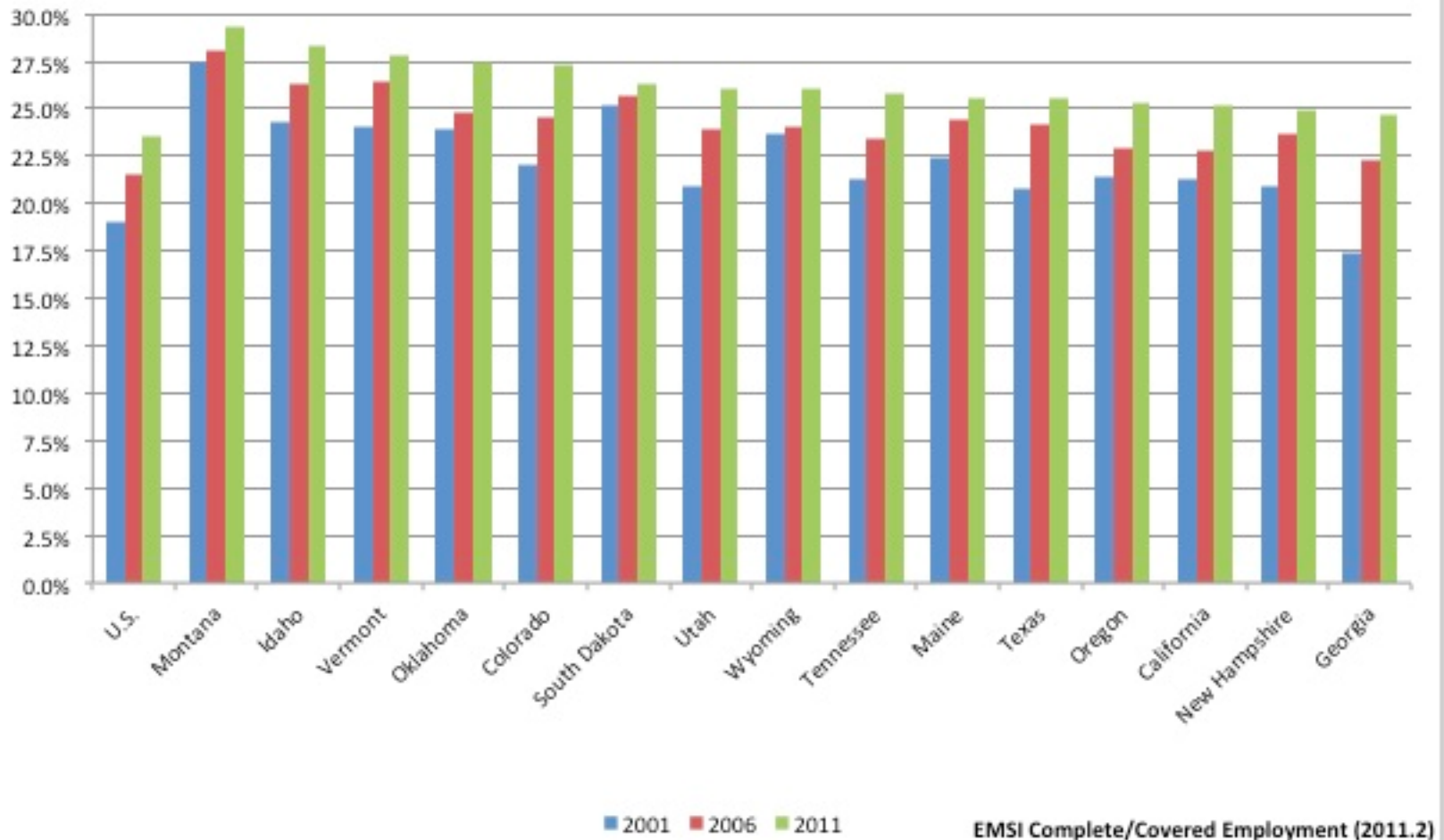


Job Growth in the 1099 Economy (2006 to 2011)



The counties with the most 1099 job growth are mostly in fairly isolated areas:

States With Largest Share of 1099 (Non-Covered) Workers



SHARE OF 1099 (NON-COVERED) WORKERS

	2001	2006	2011
U.S.	19.0%	21.5%	23.5%
Montana	27.5%	28.0%	29.4%
Idaho	24.2%	26.3%	28.3%
Vermont	24.1%	26.4%	27.8%
Oklahoma	23.9%	24.8%	27.5%
Colorado	22.1%	24.6%	27.3%
South Dakota	25.2%	25.7%	26.3%
Utah	20.9%	23.9%	26.1%
Wyoming	23.6%	24.0%	26.0%
Tennessee	21.3%	23.4%	25.8%
Maine	22.4%	24.4%	25.6%



Real Time LMI-US Job Postings Last 30 days

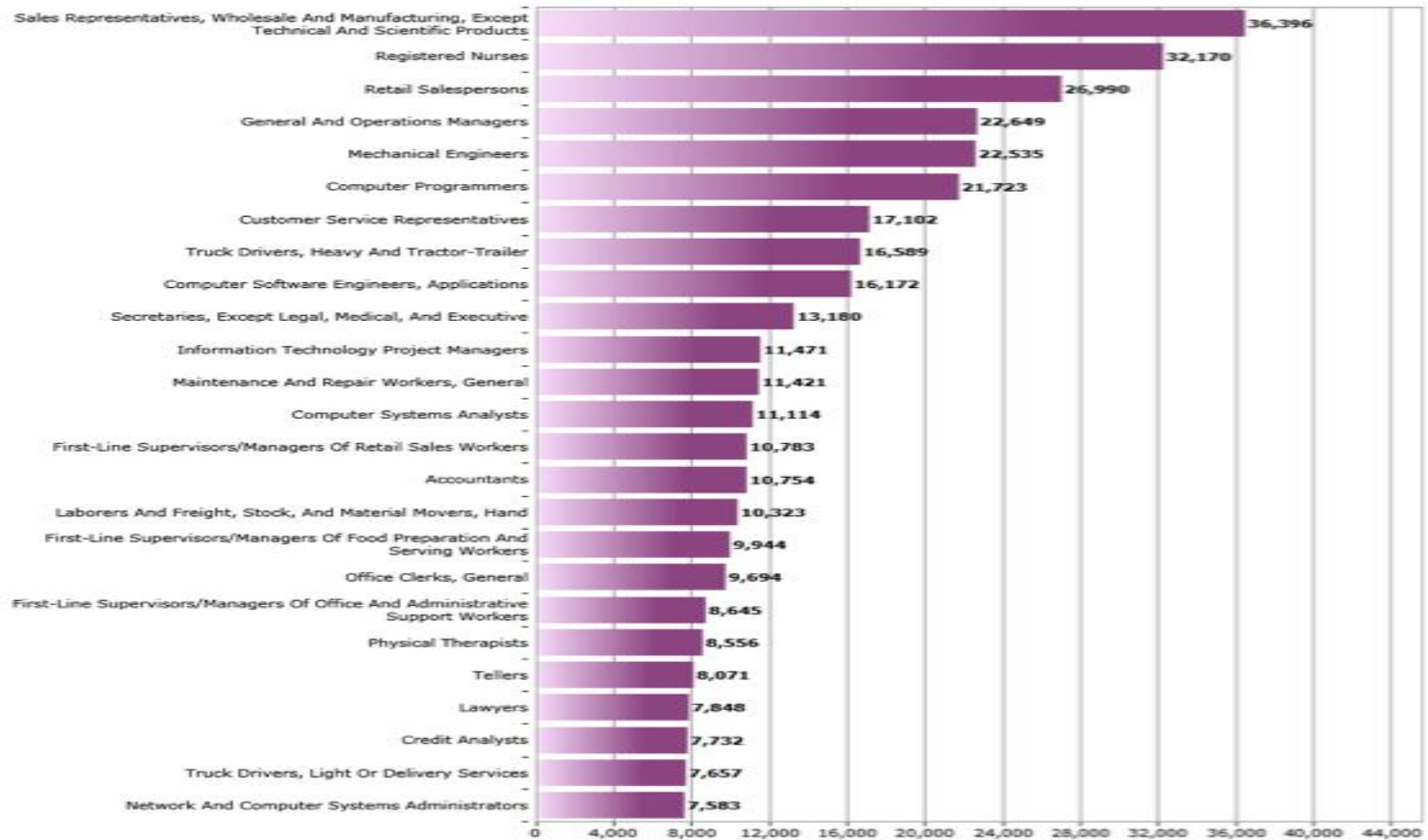


Top detailed occupations

Total Job Postings = 1,254,907
 Unspecified/Unclassified = 248,109
 08/02/2011 - 09/01/2011 (Data not available after 08/27/2011)

Active Filters

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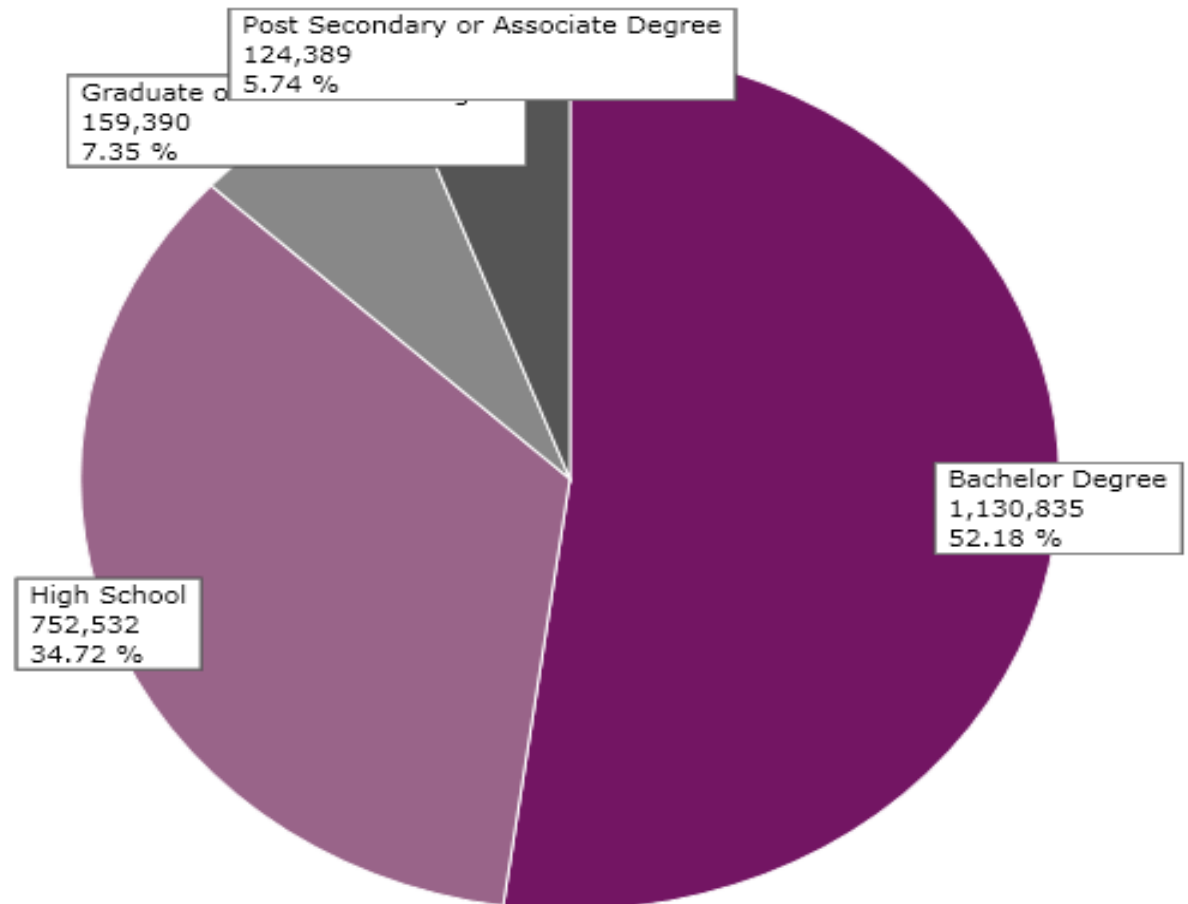
Distribution of advertised educational requirements

06/03/2011 - 09/01/2011 (Data not available after 08/27/2011)

Total Job Postings = 4,139,390

Unspecified/Unclassified = 1,972,244

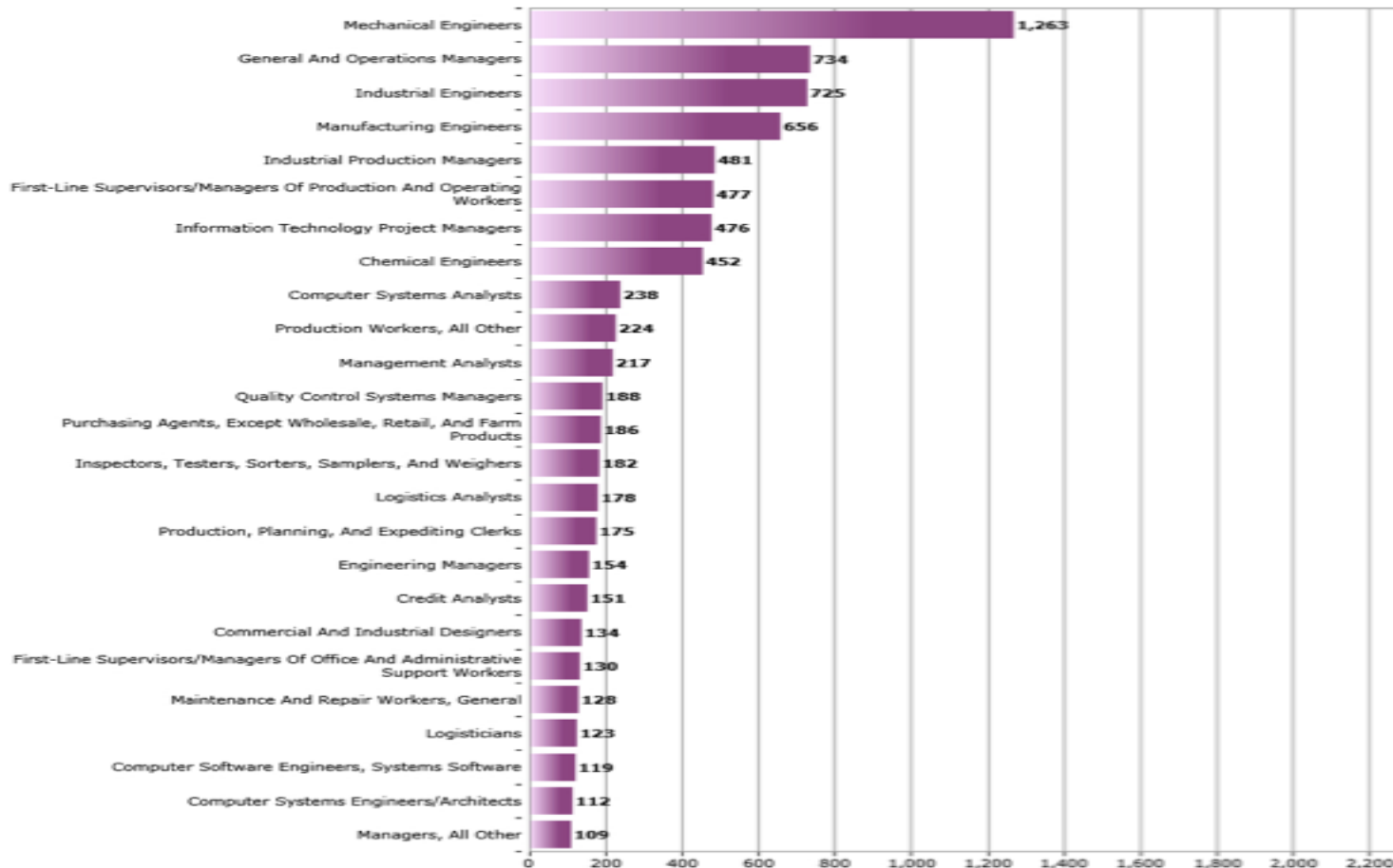
[View job listings](#)



Advanced Manufacturing Skills Clusters US Last 30 Days



Total Job Postings = 15,249
 Unspecified/Unclassified = 2,815
 08/02/2011 - 09/01/2011 (Data not available after 08/27/2011)
Active Filters
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Skills in Greatest Demand US Last 30 days

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Skills in greatest demand

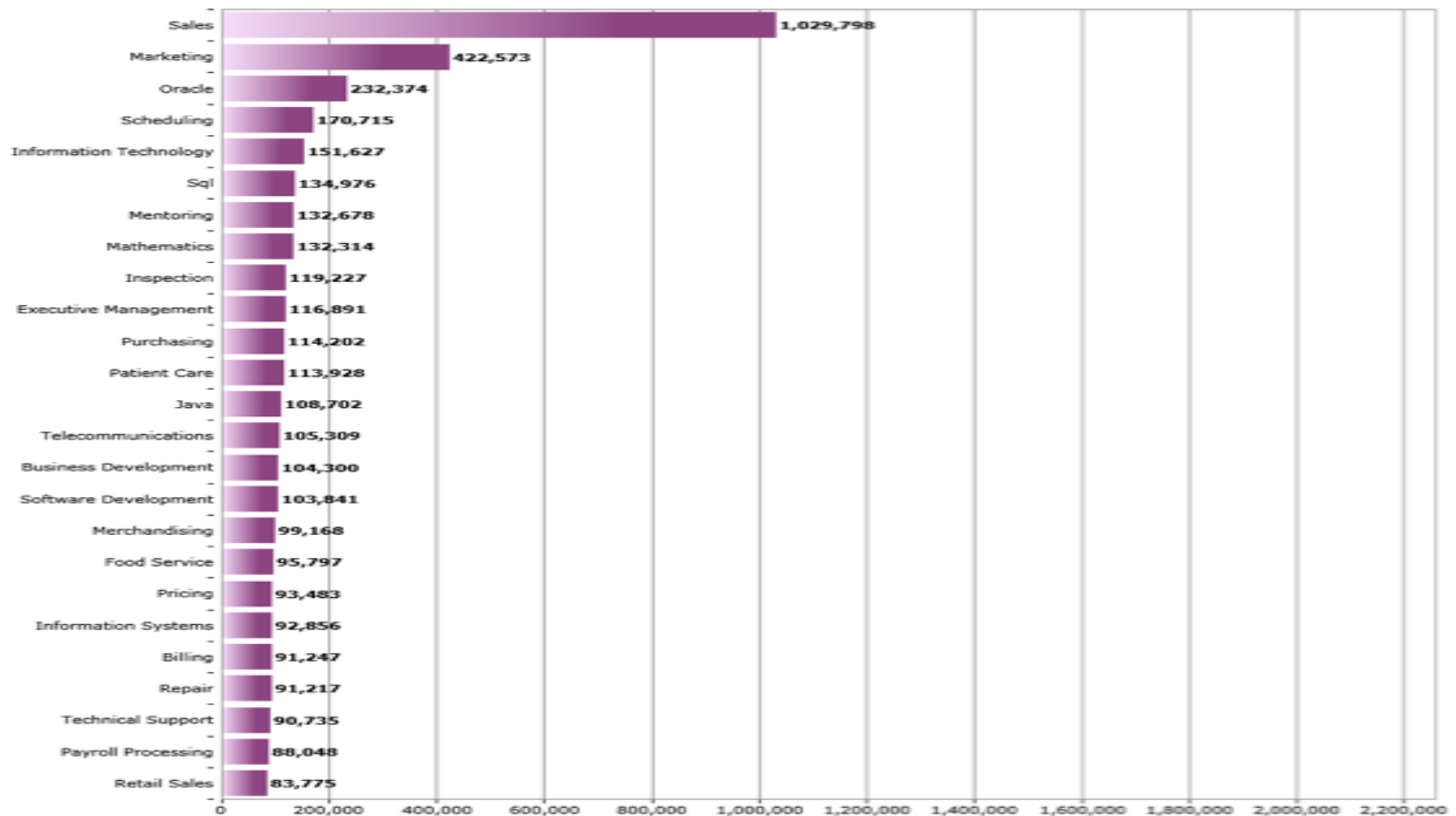
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Unspecified/Unclassified = 0

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