

Employer and Business

Understanding the "Silent Crisis": The Shortage of Workforce Skills in America

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Workforce Investment Necessary

- We face a growing need for a skilled and educated workforce.
- Within the next 25 years there will be 19 million more jobs than workers, many of these positions requiring education beyond a high-school diploma.
- Increasing the skills and education of America's labor force not only fills the needs of business, but also helps individuals find employment faster and at higher wages.
- In order to remain competitive in the global market, the U.S. must invest in its workforce.
- Providing skills and education to America's workforce is critical to its continued economic growth.
- Money invested in the workforce development system is returned by creating job opportunities for individuals at higher wages, meaning more tax revenue.

New Skills will be Required

- Today, employers estimate that 39% of their current workforce and 26% of their new hires will have basic skills deficiencies.
- 42% of the projected new job growth between now and 2010 will require some level of college education, a degree and/or a certification.
- 65% of all American employment now requires specific skills.
- 75% of the American workforce will need to be retrained merely to retain their jobs.
- The salary gap between those with a college education and those without grew from 50% in 1980 to 100% today.
- On average Americans entering the workforce today will have seven different careers in their lifetime. - In spite of the need for higher levels of skills in the American workforce, businesses historically have not invested in worker training, for example, private sector investment fell 18% between 1988 and 1997.

The Changing Workforce

- Labor force growth is slowing from a 1.6% annual rate in the past fifty years to only 0.6% annual growth for the next fifty.
- The workforce is becoming older. Today workers over 55 make up 13% of the total workforce. By 2020, they will comprise 20%.
- The workforce is becoming more diverse. By 2050, white non-Hispanics will decrease from 73% of the total workforce to 53%. But other groups will grow during this period: Hispanics will increase from 11% to 24%; blacks will grow from 12% to 14%; and Asians will increase from 5% to 11%.
- Youth labor (16-24) is projected to increase by 3.4 million by 2010.

- Between 2000 and 2010, 41 million people will enter the American workforce. But 46 million college-educated baby-boomers will retire in the next twenty years.
Local Economy Drives Community Prosperity
- More than half of all American workers are employed at small businesses, which can rarely afford to provide training opportunities.
- Local business and industry need the resources the workforce investment system provides to fill labor gaps; especially since private investment in worker training is reduced during economic downturns.
- Local control of the workforce investment system will ensure that local needs will be met.

Utilizing the Local Workforce Development System Makes Sense

- The Workforce Development System is positioned to engage both public and private sector resources to identify workforce needs, provide appropriate education and training opportunities that will assure access and enhance the skills of all citizens in our communities.

Local Workforce Investment Boards and Local Elected Officials already provide strategic oversight and accountability of the taxpayer's investments in employment and training services. Existing planning and administrative structures are well established and effective.