

The Future of the U.S. Workforce



It is increasingly common to hear policymakers, education leaders, and the media refer to “middle skills” jobs, the “skills mismatch,” and “career pathways,” as we work to ensure our education system is aligned with our workforce needs. To unpack these terms – and put them in the context of the college- and career-ready agenda – Achieve recently published three reports in our “*Future of the U.S. Workforce*” series.

The series addresses three major themes:

- What are “middle skills” jobs and what are the pathways to access them?
- What are “low skills” jobs, and what, if any, opportunities do they provide?
- What skills and education levels are employers currently demanding of recent hires – and what will they demand in the future?

So what did we find? In short, employers are demanding more education and training (and will continue to do so in the future) and jobs that require a high school diploma or less are disappearing. Those low skills jobs that do remain provide lower wages and fewer opportunities for leadership and advancement, and require individuals to gain significant skills (likely through formal and education training) to advance out to them. In other words, middle and high skills careers are the path to the middle class – and a strong K-12 preparation for education and training beyond high school is the path to those careers.

Finding #1: The U.S. workforce will require more education and skills in the near future

By the numbers, about 80% of jobs in the workforce are classified as “middle skills” or “high skills” but another often cited figure is that thirty of the 46.8 million job openings in 2018 (about 64%) will require some education and training beyond high school. The differences are based on the workforce as a whole compared to job openings (given some jobs, particularly low skills jobs, tend to have more turnover than others), but either way it’s examined, the majority of today’s and tomorrow’s jobs require more than a high school diploma.

Organizations across all industries are projecting that future jobs at all levels will require more skills, education and credentials/certifications, with varying degrees of magnitude. The largest differences between current education and skill levels and future requirements are in skilled labor and administrative/secretarial positions — key middle skills jobs in which growth is projected. Or, examined another way, 50% of human resources (HR) professionals anticipate higher education requirements for most jobs and 60% anticipate more jobs with more specific technical requirements in the next 3-5 years.

Finding #2: Low skills jobs provide few opportunities for advancement or security

While the fact remains that about a third of current and future jobs require a high school diploma or less, it’s critical to remember that these are jobs, not careers, which the data back up in a variety of ways. One way is to simply compare the median incomes for middle skills jobs (about \$43,000) to low skills jobs that require a high school diploma (\$31,000) or less (\$22,000), or to point out that 87% of jobs that pay minimum wage or less are held by individuals with no postsecondary degree or credential.

Only about 5% of low skills jobs were identified as offering opportunities for leadership, advancement and prestige compared to about half of middle skills jobs and over 90% of high skills jobs. And, when evaluating the skills required (and the level of skills required) across middle and low skills jobs, in all areas but three, middle skills jobs require a higher level of skills – in both traditional “academic” skills (e.g., reading comprehension, mathematics, writing) and traditional “technical” skills (e.g., critical thinking, complex problem solving, monitoring). Many of these skills cannot be fully developed on the job and require additional education and training.

Finally, although over 80% of respondents say their organizations offer advancement opportunities for low skills workers, mostly lateral or one-step promotions, with over a third of respondents saying promotion pathways are endless for low skills workers with the right work ethic and attitude, 80% of respondents acknowledge that they hire employees with education or training beyond high school for jobs that (as posted) require only a high school diploma.

Finding #3: The skills mismatch is real

While the vast majority of HR professionals report that most jobs are held by individuals with education credentials that closely match those required by the job, looking forward, companies are requiring more education and training across the board for nearly all positions in all industries. By one estimate, the U.S. will fall short by at least 3 million middle and high skills workers by 2018, and there are already well over 3 million unfilled jobs in the U.S. economy today.

Similarly, in nearly every state, the workforce and labor demands are mismatched, with the mismatch most prevalent between the number of middle skills jobs available and the number of workers who can fill them. Some states have substantially more low skills workers than low skills jobs. On the other side of the coin, in other states, the percentage of high skills workers in the state is outpacing the workforce demand. What is common across every single state, except one, is that there are more middle skills jobs available than there are middle skills workers. Part of this is geography, but the lack of aligned education options remains at the heart of this mismatch.

Finding #4: There are many pathways to middle and high skills jobs, but education and training beyond high school is the common denominator

Middle skills jobs are those that require some education and training beyond high school, but less than a four-year degree, such as an associate’s degree, a certification, completion of an apprenticeship program, or significant on-the-job, employer-provided training. In 2010, nearly 850,000 associate degrees and almost 1 million postsecondary certificates were awarded – many of which lead to higher-paying jobs than jobs requiring bachelor’s degrees. The vast majority of these degrees and credentials are still awarded at institutions of higher education – and very commonly two-year colleges.

Given the chronically high remediation rates at two-year colleges (which lower the likelihood that students will earn an associate degree from 13.9% to 9.5% and a 1-1.5 year certificate from 22.6% to 13.1%, let alone on time), broadening access to postsecondary programs is not enough without also ensuring that students are prepared for success in those programs with a strong K–12 foundation.

The *Future of the U.S. Workforce Series* can be found at www.achieve.org/career-readiness or the links below

- The Future of the U.S. Workforce: Middle Skills Jobs and the Growing Importance of Postsecondary Education (www.achieve.org/middleskills)
- The Future of the U.S. Workforce: The Limited Career Prospects for High School Graduates Without Additional Education and Training (www.achieve.org/limitedcareerprospects)
- The Future of the U.S. Workforce: A Survey of Hiring Practices Across Industries (www.achieve.org/achieve-shrm-survey)