

SURVEY REPORT: Q3 2022

WORKFORCE DEVELOPMENT AND EDUCATION PATHWAYS

 **BUSINESSFORWARD**
FOUNDATION

INTRODUCTION

Business Forward has worked with more than 250,000 business leaders across the U.S. We cover a range of issues, including education reform, workforce development, health care, tax reform, trade, infrastructure, clean energy, intellectual property, and immigration.

For these business owners, the “future of work” is already here. Automation is simultaneously creating and destroying jobs, changing each community’s “job mix” as it goes. Workers who gain new skills can earn more; workers who do not earn less — or fall out of the workforce altogether.

The COVID-19 pandemic has further complicated the shift of the face of work and the dynamics of the hiring process. Unlike the traditional image of the “skills gap,” unemployment remains low while employers face difficulties filling job openings for skilled workers.

Employers want to provide opportunities for local workers to develop skills and find meaningful work. And they want to ensure housing remains affordable so workers are not displaced from their communities. Fixing the talent pipeline requires an investment in upskilling the current workforce so that well-prepared employees can excel in their jobs. Through a series of virtual roundtables, we spoke to small business leaders around the country about workforce development and the role of education. This report presents what they had to say.

KEY POINTS

THE CHALLENGE

- 1 Our schools are failing
- 2 Poor schools hurt our economy
- 3 As work evolves, the gap between today's workforce and good jobs grows

THE OPPORTUNITY

- 4 The future of work is a road map for education reform
 - Automation can create more jobs here than it destroys
 - We know what students need: basic technical skills, the ability to learn continuously, teamwork and good judgment, and self-reliance
 - Internships and apprenticeships work
 - More college isn't always necessary

“

We really want our business leaders and our workforce leaders to be at the table, rolling their sleeves up, alongside our education community, as we redesign the talent pipeline.

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- ROBERTO RODRÍGUEZ,
ASSISTANT SECRETARY OF
PLANNING, EDUCATION, AND
POLICY DEVELOPMENT

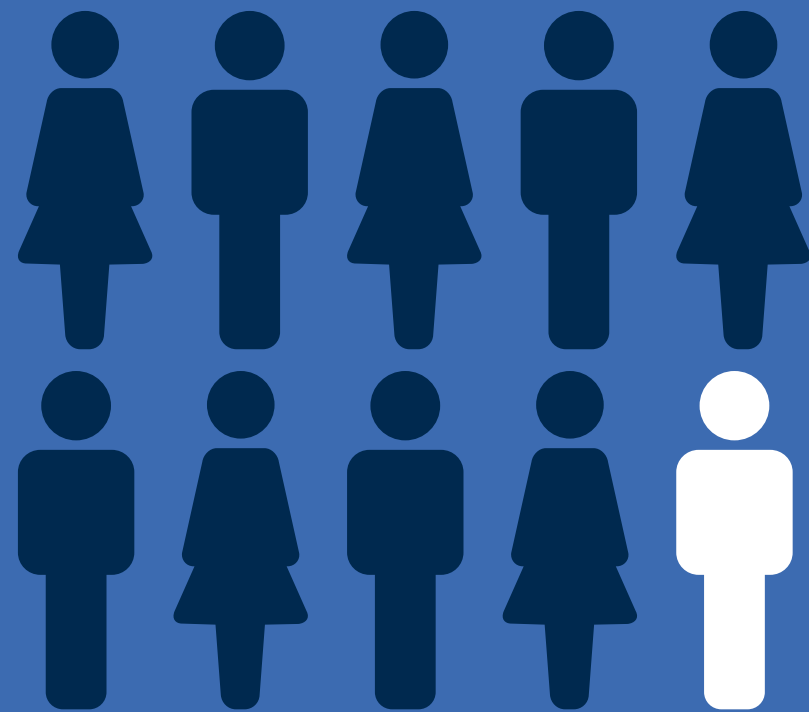
CLICK HERE TO LISTEN TO THE
BUSINESS FORWARD BRIEFING WITH
U.S. DEPT OF EDUCATION OFFICIALS



THE SKILLS GAP IS GROWING

THE NEEDS OF EMPLOYERS ARE CHANGING

9 OUT OF 10 EXECUTIVES



say their organization already faces a skills gap, or will face one by 2025¹

TOMORROW'S JOBS WILL REQUIRE MORE COMPLEX SKILLS

BY 2030, WORKPLACE DEMAND WILL INCREASE BY

60%

FOR TECHNOLOGICAL SKILLS

40%

FOR CREATIVITY

33%

FOR ENTREPRENEURSHIP²

WORKERS HAVE TO ADAPT



50%

OF ALL WORKERS WILL NEED TO RESKILL BY 2025³



THE OTHER HALF WILL BE REQUIRED TO UPDATE

40%

OF THEIR SKILLSET⁴

SKILLS DEVELOPMENT IS FALLING SHORT

EMPLOYERS AND WORKERS
ARE ON THE SAME PAGE

94%

OF WORKERS

say that professional development opportunities provide them with a reason to stay with their employer⁵

THE PERCENT OF BUSINESS LEADERS WHO EXPECT EMPLOYEES TO LEARN NEW SKILLS ON THE JOB IS GROWING⁶

65%

2018

94%

2020

BUSINESSES BENEFIT FROM
WORKFORCE DEVELOPMENT

COMPANIES THAT DEVELOP
RESKILLING PROGRAMS ARE
MORE THAN

2X

AS PREPARED TO MITIGATE
ROLE DISRUPTIONS WITHIN
THEIR ORGANIZATIONS*

*53% COMPARED TO 24%
BASED ON A MCKINSEY GLOBAL
SURVEY OF BUSINESS EXECUTIVES⁷

BUT OPPORTUNITIES STILL FALL SHORT



ONLY
34%
OF WORKERS

report that they have
adequately supported
opportunities for
development through
their employer⁸

INSIGHTS FROM THE NETWORK

**ROUNDTABLE ON WORKFORCE
DEVELOPMENT AND EDUCATION**

AUGUST 2022

DEVELOPING TALENT REQUIRES UPSKILLING AND RESKILLING

“

We have been in business for 29 years providing nutritional supplements and skincare products to the healthcare industry. We are always hiring and looking for new talent. That talent is critical to developing a workforce that is going to innovate and take us to the next level. Here in Maine, the hireable pool of skilled workers is very limited, so I have to open up my hiring pool to the whole country and attract a new workforce to the state. Usually, that means I have to look at paying moving expenses, amongst other things, to move a skilled workforce here...

One of the things that I talked about with the Governor was that students should be learning foundational skills at the elementary level. That is where we should be teaching math, science, English – the basics – our foundational skills, so that when students get to middle school, the conversation really becomes about pathways and where students can go.

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- HEATHER FLORIO
CEO, DESERT HARVEST
ELLSWORTH, ME

“

The skill sets that are in demand are constantly changing. People need to re-skill and up-skill to make sure they are still compatible with the requirements of the current markets. We see that in a lot of suburban communities – but not so much in the city – where unemployment fluctuates because of the high demand for certain positions over others. The first impact of workforce development in the community is that it will curb unemployment and consequently, the issues that come with it.

”

- EMAD AZIZ
CEO, BRISK BUSINESS
NEW YORK, NY

BUSINESSES IDENTIFY AND PRIORITIZE IN-DEMAND SKILLS

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Based on my experience, a tight collaboration between the high-tech industry and the manufacturing industry is essential to maximize the hiring of individuals with less than a bachelor's degree. Workers with associate's degrees and professional certifications are what we actually need right now...

We have a real skill shortage in manufacturing, particularly when it comes to automation. Automation requires certain basic skills usually taught in college, and I would like to see community colleges also teaching automation and adjusting the training to meet the needs of the industry.

”

- SAEID KAMALPOUR
FOUNDER, GLOBINK
WEXFORD, PA

“

I worked for 35 years in the book publishing industry preparing professionals and students for STEM careers or STEM career advancements. In that time, I worked very closely with the American Society for Engineering Education (ASEE) as Chair of their Corporate Member Council.

For the last two years, I've worked as a consultant for the ASEE Workforce Summit, which brings together leaders in academia, industry, and the policy sector on what's needed in education to accelerate innovation to help solve our nation's talent crisis. We're living in an odd era or very low unemployment amidst high inflation. The limiting factor on economic growth is talent, and the limiting factor for many individuals' personal economic growth is skills. Finding ways for people to access the skills they need so they can advance in their careers and fill jobs that are empty has been the focus of my work over the last few years.

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- DAN SAYRE
PRESIDENT, NEW WORLD ASSOCIATES
KENNEBUNK, ME

EXPANDING OPPORTUNITIES FOR OVERLOOKED, LOCAL WORKERS BENEFITS BUSINESS

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I support investments in workforce development and education policy because we have a crisis of unemployment in our cities. Companies are forced to invest in significant training programs because employees are simply not ready for the workforce...Most businesses take on the initiative of wanting to hire veterans. With that comes many of the same types of policies, supports, and wrap-arounds that you would need for second-chance hiring.

Take a chance on second-chance hiring. If you have hired veterans before, then you are already equipped to hire people who were formerly incarcerated. Many second-chance candidates have mechanical skills, depending on where they were incarcerated, and shouldn't be counted out simply because they have been out of the workforce. In fact, they may have been in the workforce that entire time - just doing something through the state. You don't need to make it a policy; make it case by case, and open your mind to hiring people who have formally been incarcerated, because it is a large part of our population.

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- LISA BABBAGE
FOUNDER AND CEO, MARANTHA HOUSE MINISTRIES
ATLANTA, GA

“

As we look at our current economic prospects, with a potential economic slowdown and correction, there has never been a better time to invest in sound economic policy and workforce development. Every dollar we spend on reskilling, preparing people for the future of work, and hiring and retaining talent will move our economy forward, no matter what is happening in the business cycle...

Many companies have been moving to Miami, but we don't have enough people here to fill those open positions. What ends up happening is we bring in people from other parts of the country and displace residents who could be reskilled and given an opportunity to fill these gaps and get a new lease on life. This issue exacerbates other issues like affordable housing and infrastructure. We need to provide opportunities to the diverse workforce already here.

”

- EVAN SHIELDS
FOUNDER, INDELIBLE CAPITAL PARTNERS
MIAMI, FL

ENDNOTES

1. McKinsey & Company. “Beyond hiring: How companies are reskilling to address talent gaps” <https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/beyond-hiring-how-companies-are-reskilling-to-address-talent-gaps>
2. Bughin, Jacques, Eric Hazan, Susan Lund, Peter Dahlström, Anna Wiesinger, and Amresh Subramaniam. “Skill shift: Automation and the future of the workforce.” McKinsey Global Institute. May 23, 2018. <https://www.mckinsey.com/featured-insights/future-of-work/skill-shift-automation-and-the-future-of-the-workforce>.
3. “The Future of Jobs Report.” World Economic Forum. October 20, 2020. <https://www.weforum.org/reports/the-future-of-jobs-report-2020>.
4. Ibid.
5. LinkedIn. “The Transformation of L&D.” 2022 Workplace Learning Report. Accessed September 16, 2022. <https://learning.linkedin.com/resources/workplace-learning-report>.
6. “The Future of Jobs Report.” World Economic Forum. October 20, 2020. <https://www.weforum.org/reports/the-future-of-jobs-report-2020>.
7. McKinsey & Company. “Beyond hiring: How companies are reskilling to address talent gaps” <https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/beyond-hiring-how-companies-are-reskilling-to-address-talent-gaps>
8. Michael Schrage, Jeff Schwartz, and Robin Jones. “Opportunity marketplaces: Aligning workforce investment and value creation in the enterprise.” April 28, 2020. <https://www2.deloitte.com/us/en/insights/focus/technology-and-the-future-of-work/importance-of-investing-in-employees.html>.

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